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IMPORT SUBSTITUTION AND EXPORT PROMOTION: TRADE AND DEVELOPMENT

by

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TRADE AND DEVELOPMENT[1]

Of late some concern has been expressed in the literature about import substitution as a development strategy for the non-industrial nations. The abortive industrialization experience of developing countries, the traps into which they have fallen, the misdirections of investment, and the misallocations of resources are cited as illustrations of the pitfalls of pursuing import substitution as a path to development. In this paper the deficiencies of the import substitution strategy are not denied, but an attempt is made to restore some balance in the evaluation of import substitution as a policy and to show that it still has some relevence for economic development, provided of course that it is carried out with at least a minimum of economic common sense.

Failings Attributed to Import Substitution

Although some developing countries may embark on import substitution as a deliberate policy for development, perhaps more typically it is a defensive reaction, usually to balance of payments difficulties. To avoid a collapse in the currency system, exchange controls are imposed. Imports are discriminated against and the production of import substitutes at home is encouraged through less stringent allocations for imports

[1] I am indebted to Casimiro V. Miranda, Jr. for assistance in the preparation of this paper.

of capital goods, of raw materials, and of semi-finished goods. Tax concessions and other incentives may also be given. "Essentiality" of the goods is one of the criteria for choosing what industries will be favored or discriminated against. Foreign exchange "saving" is another criterion. Thus import substitution starts and it is not long before the monetary authorities realize their power to alter the structure of theeconomy through the exchange and import control systems.

Quite often the controls are accompanied by overvaluation resulting partly from the very fact itself of the imposition of controls and partly as a result of deterioration of the internal monetary situation. The control system also may take the form of multiple exchange rate system, of greater or less complexity and sophistication, but in any case operating again to favor import substitution.

The practical results of the quantitative restrictions from exchange and import control and the import substitution are what have come under criticism. It is said that quantitative restrictions promote economic inefficiency; they discriminate against importation of "non-essentials" but since there is still strong demand for these at home, productive resources are shifted to local production of these "luxuries". Again, it is stated that often the domestic industries built up through controls are merely "packaging" enterprises with very little local value added. Furthe more these factories or plants are heavily dependent on imported inputs. To complicate the pressure on exchange, domestic demand for the import substitutes rises with increases in local income, thus constituting another demand for foreign exchange. The "savings" in foreign exchange turn out to be illusory after all; far from relieving the pressure on foreign exchange, the import substitution complicates it, Controls often operate to bring about over-investment and over-capacity in capital facilities. When foreign exchange available is limited, it is not possible to feed the local factories with their full imported raw material requirements, thus forcing the factories to run below capacity and driving unit costs up. These are some of the problems which crop up with an import substitution drive in a situation of foreign exchange shortage and balance of payments disturbance.

Exchange controls, which are often accompanied by an over-valuation of the currency, brings windfalls for importers who are handed monopoly positions. But the over-valuation, it is pointed out, penalizes exports.

When import substitution is pursued by means of protective tariffs, another set of abuses occurs, causing further departures from competitive allocation of resources. Tariffs are oftentimes set so high that effective rates of protection encourage investment in enterprises with little relation to the free trade optimum.

Of course critics of import substitution recognize that not all is black and that an import substitution strategy can serve as a useful purpose in development. It is pointed out that what is important is to choose a combination of economic policies that will bring about a successful and economically rational import substitution drive.

In this paper an attempt will be made to show that import substitution deserves to be examined from a dynamic viewpoint, having in mind the historical context in which it is carried out. Seen from such a viewpoint, import substitution as a strategy may have more justification, notwithstanding the short run costs and distortions that it imposes.

The Philippine Experience with Import Substitution

The example to be used through much of this paper will be the Philippines. This does not mean that import substitution has been successful here - it is too early to say this categorically. Rather it is the model chosen simply because it seems to illustrate, sometimes even by instances of failure, enough of the considerations that are relevant for this paper.

The years in which import substitution was the conscious economic objective coincide with the era of economic controls - mainly import restrictions, exchange allocations, monetray restraints, exchange allocations, monetary restrictions - in the 1950's and into the mid-1960's.

But before going into the 1950-65 period, it might be convenient to start this historical survey from a century before, that is, with the liberalizing influences which led to the Spaniards to open Manila and other Philippine ports to free trade from 1834 on. Previous to the opening of the ports, the trade between the Philippines and the outside world had been controlled and monopolized by the Spaniards, in keeping with mercantilist sentiments prevalent in Europe. Thus the Acapulco galleòn crossed the Pacific from Manila to Acapulco, Mexico only once a year, carrying spices, silks, fine handicraft and other wares from China and not much from the Philippines. Likewise the Manila galleon made an annual sailing from Acapulco to Manila, carrying government officials, missionaries, official papers, bullion, plant specimens, and similar cargo. The Philippines remained a distant trading post for Spaniards and Mexicans.

With the opening up of the country to trade, economic growth began and the pattern of present-day Philippine exports of primary products was laid. Coconut products, abaca, tobacco, sugar, rice, - the fruits of tropical agriculture - were sent out. Foreign trade changed the face of the Philippine economy. In the late Spanish period then exports were not only a leading sector, but were probably the engine of growth.

In 1896 the Philippine revolution took place, followed by the ejection of the Spaniards and the American takeover in 1898. But after these years of confusion in the economic sense, the pattern of development continued. Production of the primary products already being exported saw expansion, new export products appeared, and there was a shift of markets, for example, in sugar, from China and in tobacco from Spain, to the United States. In the American period foreign trade was a leading sector and it was also the engine of growth - with the higher incomes generated by exports, the internal economy grew. There was significant investment in manufacturing for the local market - cement, food, shoes, textiles, and so on. It is important to note too that in the American period, the foundations were being laid for a change in structure: one of the most important American contributions was the organization of a system of mass education, including education at the college level, which is particularly crucial for the development of an entrepreneurial group.

The Japanese occupation from 1942-45 was an interruption; the Philippines was isolated from the rest of the world. The liberation brought death and destruction of the economy; productive capacity up to the war was down to perhaps one-fourth that before the war. The years up to 1953 were therefore devoted to rehabilitation; only in the 1953-54 crop year, for instance, did exports of sugar reach prewar levels.

The period of economic controls dates from late 1949. Import controls, though mild, were in force during the beginning of that year, but it was not till December 9, 1949 that strict exchange controls came into being. From then up to November 6, 1965 when a formal devaluation went into effect, the Philippines was a controlled economy. In this period from the 1950's to the mid-1960's, the structure of the economy was changed until what seems to be a firm base of manufacturing was laid. Now the stage is set for exports to be the leading sector again, with an increasing volume of industrial goods exports in addition to primary products. It is important for the present discussion to note the impetus behind all that effort was import substitution.

A complex of policies brought about this transformation of the Philippine economy. They included, at one time or another, quantitative restrictions through import or exchange control, a multiple exchange rate system, internal monetary and credit curbs, fiscal policy, incentives through tax exemption of so-called "new and necessary" industries, and protective tariffs, These were not always a well-planned and integrated set of measures. Much was originally hoped for from some which did not turn out to be all that effective; one of these schemes was tax exemption, but the consensus now is that the exemption was not the catalyst. Often the effects of the policies were almost accidental; the one set of instrument which, without much forethought, turned out in the end to be the most effective was the exchange control system (which toward in the end included a multiple exchange rate structure).

As has been pointed out, chronologically, of all of the above, import controls came first. The objects was to conserve foreign exchange. Yet in 1949, the first year of controls, imports actually rose: why? importers were building up inventories in anticipation of tighter restrictions. Import control at that point of time was more of an intention than a reality. Only in May, 1950 (six months after the imposition of exchange controls) did import controls with more teeth come along. The enabling legislation lapsed in 1953; because of the adverse public reaction to the corruption associated with the controls, now law could be passed to extend the system.

But the Central Bank realized that controls were still necessary for the defense of the peso. Using its general powers under its charter, the Central Bank set up a system of exchange control. Not till 1954 however were the controls employed consciously as instruments of national policy, especially for the Filipinization of economic activity and for a change in economic structure (diversification and industrialization) through import substitution. Not till 1958 too were the exchange controls really stringent, that is to say, by and large up to 1958, there was a relative abundance of foreign exchange for any businessman with a plausible business proposal (it is well known that a businessman could pad his application for foreign exchange, bring in some machinery, and either sell his excess foreigh exchange allocation or use it ostensibly to import raw materials or semi-finished goods but in reality to import finishedgoods). In 1957, an election year, a splurge on importations resulting from more liberal exchange allocations ran down the exchange reserves and from then on it was touch and go keeping a balance between foreign exchange earnings and disbursements.

The situation of dwindling exchange reserves, coupled with steady government deficits, bond issues, and increases in money supply, was leading to a growing overvaluation of the peso. Businessmen lucky to get exchange allocations enjoyed monopoly positions and amassed great profits. These profits became the sources of further investments in industry. The structure of the economy was being recast.

In this transformation, as has been mentioned, tax exemption policy was secondary as an incentive to investment; it was only gravy to an already sumptuous repast from exchange control and overvaluation. Similarly tariffs were hardly important as a protective device. This was so not only because the direct control mechanism was more effective, but also because of special circumstances: up to the end of 1955, goods from the United States could come in free of duty and from 1956 on were subject only to small albeit rising proportions of the regular duties. The United States then, much more than now, was the largest source of Philippine imports. With the inefficiency of tariffs for protective purposes through much of the control era, it is no wonder that the only large-scale legislative revision of the traiff structure after the tariff system was set in 1909 came in 1956; even at that, the tariff revision was not as thorough as it might have been for truly protective purposes.

After 1958 ~~then~~, the monetary authorities had less freedom of maneuver in regard to their manipulation of exchange controls. Businessmen were getting louder in their complaints about underutilization and excess capacity in the new industrial plants, bankers were chafing under tighter monetary controls, the public was increasingly impatient with the restrictions from the control system and disturbed by the rates of corruption in government from controls.2/ On April 25, 1960, a so-called "de-control" was instituted, but this was really a de facto devaluation through a multiple exchange rate system; at the end there were up to eight different exchange rates. On January 21, 1962 exchange controls were lifted and a free exchange market was decreed for purchases of foreign exchange, although a retention system was kept in force

2/ Paradoxically, while there were all these complaints of shortage of foreign exchange and tight money, imports kept rising and in 1961 reached a level only slightly below that of 1957, the peak in the control period which was not surpassed until 1963. In 1961 businessmen still could build unprecedented inventories, obviously as a hedge against devaluation.

(20 per cent of export proceed were to be sold to the Central Bank at the official parity rate of ₱2:$1 and the remaining 80 per cent could be sold at the free market rate settled at ₱3.90:$1. Consequently, when devaluation came on November 6, 1965, the new official parity was set at ₱3.90 to $1. All controls were removed on that date.

What has been the result of the import substitution drive which took place from 1950-1965? The official figures on national income show the changes in the shares of agriculture and manufacturing industry; industry accounts for 19-20 per cent of total national income against 7:3 per cent in 1950 (there is general agreement that official data understate the rise in manufacturing).[3] The list of consumer goods manufactured for the domestic market is gratifyingly long and production in may lines is at world standards of efficiency.

The import pattern reflects the change in internal economic structure, as Table II shows: away from finished consumer goods (down from 37.7 per cent in 1949 to 12.6 per cent in 1966) and towards machinery and equipment (now up to 18.7 per cent in 1966 as

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3/ A recent input-output study puts the share of manufacturing in national income at 32.17 per cent. This, however, is not yet a final estimate. Tito A. Mijares, Inter-Industry Relations Study of the Philippine Economy, (Partial Report), Bureau of Census and Statistics, 1968, p. 26. There is still another input-output study for the same year by the National Economic Council. Both studies indicate something like a 25 per cent understatement of GNP in 1961 and at least a similar understatement of manufacturing production.

against 9.9 per cent in 1949). But what is more to the point of this paper, the pattern of exports is beginning to show change too. While traditional as well as new primary products still account for the bulk of Philippine exports, manufactures and made-up articles are tarting to go out in increasing quantities.

The import substitution drive in the Philippines has been subjected to critical scrutiny along the lines metioned earlier, and it may be useful to look at the criticism in detail here.[4] For example, it is claimed that there has been economic ineffi- ciency, or misallocation of resources: typically, the control mechanism and subsequent protection through high tariffs discriminated against "non-essentials" or "luxury" goods. Because of resulting high prices for these luxuries, the discrimination actually led to domestic production of the "luxuries" even when these were produced at fundamentally higher costs than the imported products. This misallocation of resources is seen in the number of assembly plants producing radios, refrigerators, automobiles, and other products which are more cheaply produced in great volume for large markets.

A second point raised against the import substitution is technical inefficiency, that is, that plants are operating below capacity and are therefore not mminimizing costs. Another cri-

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[4] See, for instance, John H. Power, "Import Substitution as an Industrialization Strategy," Philippine Economic Journal, Vol. V., No. 2 (second semester, 1966), pp. 1670204.

ticism is that many of the industries established in the control period are engaged in mere "packaging" operations. It is also said that import substitution actually leads to greater dependence on imports: the pattern is described as import-dependent import substitution, that is, an industrialization based on imported raw materials.

These points deserve to be examined carefully. For example, with regard to the encouragement of luxury goods production, it is true ture that there were many operations of this type and they still exist even now. Many of them are hardly able to survive in spite of protection. Yet it is perhaps an encouraging sign that as time goes by and the market expands, the firms are getting less distress The same observation can be made with regard to underutilization of capacity - rates of utilization are going up over a wide spectrum of industries. Furthermore, what seems to be an emerging agricultural revolution may be favorable augury as to the future size of the domestic market for manufactured goods.

As for mere "packaging" and assembly operations, criticism of this sort is not completely fair. Businessmen should be given credit for undertaking what is the cheaper, more natural, more effective sequence of investment for most consumer good industries - from the final operations backward to more basic steps.

The criticism of so-called import-dependent import substitution might be answered in a similar way. Is it not natural to start import substitution with imported materials, and then work back gradually? Such backward integration is in fact taking place now, with domestic raw materials being utilized to a greater extent. Furthermere, it is a simple matter to look at the data and see whether in reality there is a greater reliance on imported raw materials. As Table II shows, there has been a shift in the composition of imports from finished consumer goods to capital goods. But as regards semi-finished manufactures and raw materials, there is no clear rise in the proportions of imports of these during recent years. And finally, is there anything unsound or uneconomical about building an industrial structure based on imported raw materials? Japan has done just this with great success and improvements in transportation and increasing integration in the world economy make such import-dependent import substitution not only feasible but often economic and necessary.

It may be reassuring to note that it is not easy for an observer to point out a firm established during the control era that went under with decontrol; this would seem to indicate the basic soundness of the general pattern of transformation that took place . As for the protection afforded now by tariffs, in many lines the protection is not fully availed of; domestic competition (even without imports) has driven prices down.

Additional evidence of the irrelevance of the tariff protection is that many protected industries are able to export their products. All in all then, in comparison with the uneconomic enterprises, there is much greater range of industries that are soundly based.

To my mind the basic weakness of the skepticism regarding the import substitution is that the criticism ignores the historical context of that movement in the Philippines and fails to place in perspective this difficult period in Philippine economic history. One should appreciate that the main raison d'etre of the import substitution was that in the postwar period the structure of the economy had to be altered. The prewar economy based on primary production and exports, while it did achieve for Filipinos high living standards, was no longer sufficient for a nation with a vastly increasing population, a rapidly disappearing frontier and diminishing uncultivated land, and rising expectations. The import substitution drive during the control period 1950-65 was necessary to effect the change in structure. This was the historic function of the import substitution phase in Philippine economic development.

The criticism also overlooks the dynamic aspects: the high costs of protection, the short-run inefficiency in resource allocation were the price to pay for the establishment of the industries; the costs can be outweighed by the gains in the future.

Even if prices in the domestic economy remain high indefinitely, is it not a fact that price discrimination between the domestic and foreign market is customary: Japan is an example of this - the domestic consumer is made to bear most of the cost of manufacturing so that exports can be priced cheaper.

By 1962 it was recognized that the possibilities of growth through import substitution were diminishing and this was one of the motivations of the President Macapagal in bringing about decontrol.[5] Decontrol aimed to restore competition and therefore rationalize the structure of industries and encourage exports. Today with the infant industries better able to stand on their feet, it is present government policy to promote exports. Exports are looked upon as a logical outgrowth of the establishment of import substituting industries and they show how import

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[5] In explaining decontrol, then President Macapagal said on the day decontrol took effect in 1962:

> "Firstly, the country has fully exhausted the potentialities for growth offered by the complement of policies ruling over the decade of the 1950's...
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> "Secondly, it has become obvious that the impetus to investments which exchange controls and various incentives provided has worked itself out.
>
> "Thirdly, the country already enjoys to the fullest extent the export potential feasible under present exchange and trade policies..."

Address on the State of the Nation to the Fifth Congress of the Republic of the Philippines, January 22, 1962.

substitution must spill over into exports if the momentum initially generated is to be sustained. The new exports are the result of an industrialization based on the domestic market; they are an illustration of Linder's observation that the range of industrial goods industries is determined by internal demand.[6]

Distinctive Features of the Philippine Experience

In the foregoing pages, the Philippines has been considered as one prototype of an import substitution drive. What are some of the distinctive features of this experience?

The Philippines has sometimes been referred to as a Latin-American (as contrasted with Asian) type of underdeveloped country. If this is so, there seems to be one important difference from other Latin-American economies: unlike what seems to prevail in Latin America, in the Philippines there is no disillusionment with import substitution. It may be that the country is on the way to breaking out of the trap in which a number of Latin American counties find themselves, that is, high cost import-substituting industries with force-fed but uneconomic backward integration, but with little prospect of industrial exports, and therefore with threatening or actual stagnation

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[6] Staffan Burenstam Linder, An Essay on Trade and Transformation, Wiley, 1962, esp. ch. III.

in their internal economies.7/ Backward integration is taking place, as a general rule without excessive and uneconomic protection, and there is forward movement toward industrial goods exports.

The Philippines seems different too from some other Asian countries - Hong Kong, Taiwan, and perhaps Korea - where much industrial goods production is primarily intended for exports rather than the domestic market. The difference apparently derives from the fact that here is a medium-sized economy, so that the domestic market is larger than in the other countries.8/ The Philippines seems to be in the same growth pattern (though certainly not on the same level of per capita incomes) as Australia in which import substitution for the internal market is leading gradually to exports of manufactures. In both countries protection has been high, although for the Philippines the protection took the form mainly of quantitative restrictions and exchange controls rather than tariffs.

Another observation is that if one is to scan the list of Philippine exports, one notes that the successful exports

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7/Alber O. Hirschman, "The Political Economy of Import-Substituting Industrialization in Latin America," Quarterly Journal of Economics, Vol. LXXXII, No. 1 (February, 1968).

8/This point is explored more generally by de Vries. Brend A. de Vries, The Export Experience of Developing Countries, International Bank for Reconstruction and Development, 1967, chs. V and VI.

of manufactures are not cheap consumer goods, but those calling for skill and somewhat higher quality production: beer, sanitary wares, ceramic tiles, plate glass, shoes and so on. These are commodities that are manufactured mainly to fill the needs of the domestic market but in the production of which lines skills have been built up over the years.

One factor demonstrated in the Philippine experience appears crucial; it is the importance of timing in the change of policy. There were many errors in the choice of implementation of policy, but in the important areas timing, while not perfect, seems to have been judicious. Specifically, there is the matter of protection for import-substituting industries. The protection should not be taken away too early. Entrepreneurs should be given sufficient time to establish themselves on a firm basis. Yet the protection and the controls have to be lifted sometime, before stagnation such as seems to rule in some Latin American countries sets in. Controls were done away with in the Philippines in January 1962. By then the dynamic young entrepreneurs who rose to prominence with the mid-1950's had planted their feet firmly on the ground. Thus when controls were removed, as President Macapagal predicted competitive pressures forced efficiency and the way was opened for expanded exports.

This leads to the final lesson in regard to import substitution, which is, as so often pointed out in the literature, that the escape routes from the cul-de-sac into which many countries have been driven are two: backwards and forwards. The backward movement consists of integration of industry; from finishing to more basic operations in production. The forward step is exports of industrial goods. Needless to say both courses of action, to be successful, require that considerations of economic efficiency are fulfilled.

Conclusion

The Philippine case cited above is not meant as a model of unalloyed success, but only as an illustration of a type which, fortunately, is not by any means unique in Asia. For instance, a valid criticism to make is that the entire experience could have been less painful and more efficient if the economic planning process had been more perfect and if discipline in execution had been more in evidence. But the past is past, and fortunatley progress had been made and the general direction of policy by and large has been rational, if the results are to be an indication. After all, import substitution is historically the normal path to economic development, in this century no less than in the last.

During the control period, the role of exports was to provide the wherewithal in foreign exchange for the large investment that was directed to the development of the internal economy. The way is open for a renewed export drive, based not only on the traditional (as well as new) primary products, but also on the fruits of the industrialization effort. Given determined promotion efforts, exports can be a leading sector once again, if not also the engine of growth.

Already exports of manufactured products are growing. It is significant though that while some of these go to Southeast Asian neighbors, by far the largest market for Philippine exports is the United States. In spite of the fact that Japan is the largest trading partner of the Philippines in Asia (and conversely the Philippines is Japan's largest trading partner in Asia), Japan takes no Philippine manufactures but only primary products.

Perhaps this is because Japan, although it is the world's third largest economy, is still not quite as advanced in structure as are older and more mature economies such as the United States and Germany. Nevertheless, it may be thought worth pondering for Japanese slowly to bring about that adaptation in the economy of their country that will permit the newly-developing nations of Asia to sell her more of their simple manufactures goods. This, it might be suggested, is the duty of the rich neighbor towards his poorer brother. It also makes economic sense - after all, under the law of comparative advantage, even if a country is absolutely more efficient in the production of all goods, it would still pay her to specialize where her comparative efficiency is greatest.

TABLE I

PHILIPPINES

PHILIPPINE AGRICULTURE AND MANUFACTURING
AS PER CENT OF NATIONAL INCOME
(Selected Years)

Years	Agriculture	Manufacturing
1950	50.6	7.3
1955	41.5	13.1
1960	34.0	18.0
1962	32.2	19.0
1965	33.2	19.2
1966	33.8	19.1

Source: National Economic Council, Manila.
Unpublished Revised National Accounts, 1946-1966
(mimeographed).

TABLE II
PHILIPPINES
PERCENTAGE DISTRIBUTION OF IMPORTS: 1949-1966
(F.O.B. VALUE IN MILLION U.S. DOLLARS)
(SELECTED YEARS)

	1949		1950		1955		1960		1962		1965		1966	
	Value $	Per Cent %	Value $	Per Cent %	Value $	Per Cent %	Value $	Per Cent %	Value $	Per Cent %	Value $	Per Cent %	Value $	Per Cent %
TOTAL IMPORTS	585.9	100.0	341.9	100.0	547.7	100.0	603.9	100.0	586.7	100.0	807.6	100.0	852.8	100.0
PRODUCER GOODS[1]	367.2	62.7	246.3	72.0	435.5	79.5	520.2	86.1	503.5	85.8	658.1	81.5	745.5	87.4
Machinery and Equipment	57.8	9.9	34.3	10.0	49.0	9.0	152.3	25.2	93.6	16.0	151.4	18.8	160.0	18.7
Unprocessed Raw Materials	6.1	1.0	5.4	1.6	12.7	2.3	60.1	10.0	101.5	17.3	110.0	13.6	130.4	15.3
Semi-processed Raw Materials	243.9	41.6	145.8	42.6	284.4	51.9	252.2	41.7	264.5	45.0	353.1	43.7	398.7	46.8
Supplies	59.4	10.2	60.8	17.8	89.4	16.3	55.6	9.2	43.9	7.5	43.6	5.4	56.4	6.6
CONSUMER GOODS	218.7	37.3	95.6	28.0	112.2	20.5	83.7	13.9	83.2	14.2	149.5	18.5	107.2	12.6
Durable Goods	14.5	2.4	5.2	1.5	8.5	1.6	5.0	0.9	4.9	0.8	7.7	1.0	13.8	1.6
Non-durable Goods	204.2	34.9	90.4	26.5	103.7	18.9	78.7	13.0	78.3	13.4	141.8	17.5	93.5	11.0

[1] i.e. Capital goods.

Source: [illegible]

TABLE III

PHILLIPPINES

PERCENTAGE DISTRIBUTION OF PRIMARY, MANUFACTURED AND OTHER EXPORTS
(F.O.B. VALUE IN MILLION U.S. DOLLARS)
(Selected Years)

	1950 Value	1950 Per Cent	1955 Value	1955 Per Cent	1960 Value	1960 Per Cent	1962 Value	1962 Per Cent	1965 Value	1965 Per Cent	1966 Value	1966 Per Cent
TOTAL EXPORTS	331.0	100.0	400.6	100.0	560.4	100.0	556.0	100.0	768.5	100.0	838.0	100.0
PRIMARY PRODUCTS	264.9	80.0	344.7	86.1	481.0	85.8	443.5	79.8	587.2	76.4	656.2	78.3
Agriculture	241.2	72.9	262.8	65.6	327.8	58.5	278.9	50.2	348.2	45.3	341.2	40.7
Logs and Lumber	10.7	3.2	41.5	10.4	91.6	16.3	112.3	20.3	162.0	21.1	208.4	24.9
Minerals	13.0	3.9	40.4	10.1	61.6	11.0	51.0	9.3	77.0	10.0	106.6	12.7
MANUFACTURED PRODUCTS	63.6	19.2	52.9	13.2	77.0	13.8	109.0	19.6	179.0	23.3	180.0	21.5
ALL OTHER EXPORTS[1]	2.5	0.8	3.0	0.7	2.4	0.4	3.4	0.6	2.3	0.3	1.8	0.2

[1]Returned goods, special transactions, and re-exports.
Source: Central Bank of the Philippines, Manila
The Statistical Bulletin. Vol. XIX, Sept., 1967, pp. 186-201.