Attached is the provisional draft of the section of the GATT annual report on international trade dealing with Australia, New Zealand and South Africa.

Any comments on the attached draft should reach the secretariat not later than 27 September 1963.
The value of exports from Australia increased by 1 per cent between 1961 and 1962 to a record level of $2,350 million. The most significant changes in exports were the $50 million increase in the value of meat shipments from $183 million in 1961 to $235 million in 1962 and the $70 million drop in exports of wheat. Wheat exports had risen two and a half times between 1959 and 1961, due mainly to substantial shipments to mainland China. But between 1961 and 1962, in spite of a rise of 6 per cent in prices, their value fell by 20 per cent from $354 million to $285 million due to a decrease by about one quarter in the volume of shipments, largely as a result of a steep drop in exports to mainland China during the second half of 1962. Exports of wool, Australia's main export item, rose from $817 to $830 million ($870 to $891 million including sheepskins), due to a slight increase in both volume and price, the price increase becoming more noticeable in the latter part of the year. Exports of dairy products decreased from $98 million in 1961 to $94 million in 1962, due to a $5 million decrease in butter exports, the volume of which declined by about 6 per cent. There is no evidence from Australian trade returns, of an increase in the price of butter while prices for butter from other exporting countries show an appreciable rise, of more than 15 per cent. Exports of fruits and vegetables rose from $72 to $91 million, and those of sugar from $84 to $94 million. The latter exceeded the million ton mark for the first time in 1962 and Australia became the fifth largest exporter of sugar in the world, after Cuba, the Dominican Republic, the Philippines and the British West Indies. Exports of fuels and other basic materials have continued to expand (from $187 to $194 million), as did those of base metals and of other manufactures which rose, respectively, from $149 and $187 million in 1961 to $151 and $194 million in 1962.

Reflecting the improvement in the level of economic activity after the slump suffered in 1961, the value of imports increased by more than $150 million between 1961 and 1962, but the total reached in 1962 was still below the record of 1960. Increases in imports occurred in nearly all the commodity groups except food, drink and tobacco imports of which decreased from $134 to $122 million, and base metals (owing to larger-domestic production), imports of which decreased from $105 to $90 million. Increases were particularly important in the case of raw materials (from $161 million in 1961 to $194 million in 1962), motor vehicles (from $142 to $190 million), electrical machinery and equipment (from $116 to $142 million) and of semi-manufactured products, which accounted for most of the rise from $521 to $573 million in imports of other manufactures. In other terms, imports of producers' goods (basic materials, semi-manufactured products, and equipment) which had been steadily declining during the economic recession of 1961, increased substantially in 1962.
Australian exports to the United Kingdom and to Japan, the largest customers, declined somewhat between 1961 and 1962, and those to mainland China, which ranked third in 1961, dropped from $161 to $98 million. These movements were more than offset by a rise from $216 to $292 million in exports to the United States as well as by increases in sales to continental Western Europe. Exports to non-industrial countries, which represent about one quarter of total exports, and to the USSR and Eastern Europe, remained stable.

Imports from most of the industrial countries increased between 1961 and 1962, while those from non-industrial countries remained virtually unchanged. Imports from the United Kingdom rose by 7 per cent to $690 million, and those from the United States and Canada taken together by 15 per cent to $570 million. Imports from Japan and Italy increased respectively by one third and one quarter and accounted for a significant part of the total increase in imports between 1961 and 1962.

Exports from New Zealand remained practically unchanged between 1961 and 1962 at some $50 million below their 1960 record. Exports of wool decreased from $280 million in 1961 to $270 million in 1962, mainly on account of a drop by nearly 5 per cent in the average unit value. Exports of butter rose from $110 to $123 million as a result of a recovery in prices which were on the average about 15 per cent over their 1961 level although still well below that of 1959. At the same time, exports of cheese and casein decreased from $56 to $53 million. Exports of meat rose from $202 to $220 million in spite of a fall by $8 million in exports of lamb and mutton, thanks to higher exports of other types of meat. Meat shipments reached a record level in 1962 of almost 500,000 tons, due to higher production, and improved overseas markets outside the United Kingdom. Shipments to these markets increased by 32 per cent, from 133,000 tons in 1961, to 175,000 tons in 1962, chiefly because of an increase of sales of beef to the United States. Thus the markets outside the United Kingdom took 35 per cent of New Zealand's exports of meat in 1962, as against 29 per cent in 1961 (when exports totalled 458,000 tons).

Imports declined in 1962 by about $150 million, or 16 per cent of the record level reached in 1961, due to the overstoking which took place in that year and to a slackening in consumer demand, as well as to the more restrictive policies adopted by the Government, in the latter part of 1961 (including a more restrictive supplementary schedule to cover imports in the first half of 1962), in order to correct the boom and the inflationary tendencies that had developed during 1961. The improved economic conditions provided an opportunity to relax these restrictive policies during 1962 and there was consequently an upward trend in imports in the second half of the year.
Exports from New Zealand to the United Kingdom, which represented 51 per cent of the total in 1961, declined somewhat, and exports to the United States and to the EEC rose by 8 per cent and 10 per cent respectively. Imports from North America and Western Europe dropped by more than 20 per cent between 1961 and 1962, while imports from Japan remained unchanged and those from Australia increased by 5 per cent. As a result of the divergent movements in total imports and exports, the trade balance of New Zealand improved considerably, the small deficit of 1961 being replaced in 1962 by a surplus of about $120 million (imports and exports taken at their f.o.b. value).

Exports from South Africa (excluding re-exports) increased by about $25 million between 1961 and 1962 to reach a level of $1,220 million in the latter year. This change was due mainly to the sharp rise in exports of foodstuffs and more particularly of maize, which more than doubled from $47 to $101 million, and of sugar which increased from $25 to $38 million, while exports of fruits were stable at about $105 million, and those of fish declined by one sixth to $34 million. For wool, the principal single export commodity, quantities shipped and prices remained practically unchanged between 1961 and 1962, and proceeds stood at about $150 million in both years. Exports of diamonds declined from $117 to $103 million, mainly as a result of lower quantities, although prices seem to have deteriorated somewhat. Exports of ores and metals were lower in 1962 than in 1961, especially on account of fissionable materials, copper and ferro-alloys which taken together declined from $168 to $149 million while exports of iron and steel increased by one quarter to reach $42 million.

The value of imports rose by about 2 per cent between 1961 and 1962 to reach $1,440 million (f.o.b. value). While the pattern of imports remained essentially unaltered in terms of broad commodity groups, the increase was mainly due to a rise in imports of rayon and other man-made fibres (from $52 to $64 million) and in imports of road motor vehicles and parts (from $143 to $160 million).

The share of the United Kingdom, the largest customer, in total exports from South Africa declined between 1961 and 1962 while that of the United States, the EEC and especially Japan increased significantly. By contrast, the United Kingdom increased its share in imports, whereas those of the United States and the EEC declined. Exports to non-industrial countries represented 23 per cent of total exports in 1961 but only 20 per cent in 1962 as a result of a decline in exports to Rhodesia and Nyasaland; imports from non-industrial countries rose during the same period in relative as well as in absolute terms. The trade deficit of South Africa remained practically unchanged between 1961 and 1962 at a level substantially smaller than in the preceding years and official gold and foreign exchange reserves rose substantially to reach a level of more than $600 million at the end of 1962 as compared to $240 million at the end of 1960.