OUTLOOK for U.S. Agricultural Exports

Approved by the World Agricultural Outlook Board, Economic Research Service, and Foreign Agricultural Service, U.S. Department of Agriculture

August 27, 1992

FISCAL 1992 EXPORT FORECAST RAISED TO $41.5 BILLION

The forecast for U.S. agricultural exports in fiscal 1992 has been raised slightly, to $41.5 billion. Improved export prospects for coarse grains and livestock products have added $500 million to the outlook since May. Fiscal 1992 exports are now expected to be $4 billion above fiscal 1991's $37.5 billion. Year-to-year gains are expected in both bulk and "high-value" products. Increases in excess of $1 billion each are forecast for oilseeds and products and wheat exports, and gains close to $1 billion each are expected for horticultural and animal products.

The forecast for fiscal 1992 U.S. agricultural imports was raised $500 million to $23.5 billion. Prospects for increased imports of wines, malt beverages, and grain products raised the forecast for total agricultural imports. This would be a $900 million increase from fiscal 1991's $22.6 billion. Gains from fiscal 1991 are forecast in both competitive and noncompetitive products. With 1992 exports growing faster than imports, the U.S. agricultural trade surplus is expected to climb $3.1 billion to $18 billion.

For fiscal 1993, stronger "high-value" product sales are expected to offset lower values for bulk commodity exports, due to weaker prices for grains and oilseeds. As a result, 1993's overall export value is expected to be little changed from fiscal 1992.

U.S. agricultural trade balance, fiscal 1986/87-1991/92

Item	-- Year beginning October 1 --					
	1986/87	1987/88	1988/89	1989/90	1990/91	Forecast 1991/92
	-- Billion dollars --					
Exports	27.9	35.4	39.6	40.1	37.5	41.5
Imports	20.6	21.0	21.5	22.5	22.6	23.5
Trade balance	7.3	14.4	18.1	17.6	14.9	18.0
	-- Million tons --					
Export volume	129.3	148.4	146.3	148.7	129.4	141.5

This Export Outlook reflects commodity forecasts in the August 12 World Agricultural Supply and Demand Estimates.

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Commodity Highlights

The forecast for U.S. wheat and flour exports in fiscal year 1992 was lowered 1 million tons to 34.4 million, in part reflecting the slow pace of U.S. new crop sales, especially to China. The forecast for export prices has fallen as well. As a result, the outlook for the value of exports fell $100 million to $4.3 billion.

The outlook for U.S. coarse grain exports has brightened since May with the fiscal 1992 forecast now at 50.4 million tons, up 2.2 million tons from the last official forecast. Higher corn shipments to drought stricken Southern Africa, and sorghum sales to Mexico account for much of the increase. As a result of greater volume, value is forecast up $300 million to $5.7 billion.

The fiscal 1992 rice export forecast of $700 million and 2.2 million tons is 100,000 tons higher than the May forecast on unchanged value.

Within the oilseed complex, the fiscal 1992 forecast for soybean exports remained the same at $4.2 billion. The volume remained at 18.8 million tons. The forecast for soybean oil and cake exports was raised 100,000 tons, to 6.5 million tons, with total value increasing $100 million to $1.6 billion. The expected growth in fiscal 1992 oilseed export volume reflects indications of below trend growth in foreign production combined with below average stocks abroad.

The 1992 export forecast for U.S. cotton remains unchanged at 1.6 million tons from May. Cotton export value is also unchanged at $2.3 billion.

Exports of unmanufactured tobacco for the year are projected at 1.5 billion, unchanged from the previous forecast. Export volume is also forecast unchanged at 200,000 tons.

The fiscal 1992 export value for livestock, dairy, and poultry is up $300 million from the May forecast. Exports are expected to reach $7.7 billion, $800 million above the record $6.9 billion in fiscal 1991. Much of the forecast's increase came in live cattle to Mexico and finished beef exports to Mexico, Japan, and Korea.

Horticultural product exports are expected to reach a new all time high of $6.8 billion in fiscal 1992, up $800 million from fiscal 1991's record $6 billion, and unchanged from the May forecast. During the first 9 months of fiscal 1992, horticultural exports are running 15 percent ahead of last year, and are expected to continue this strong growth for the remainder of the year. Market liberalization in many importing countries, as well as strong demand in Mexico, Canada, Japan, and the European Community (EC) are major factors behind this growth.

Economic Outlook

A slight recovery is expected in foreign economic growth during 1992, following a slight contraction in 1991. Foreign Gross Domestic Product (GDP) is expected to expand at about a 0.5 percent rate in 1992, recovering from a decline of similar magnitude in 1991.

However, slower or stagnant growth is expected in important markets for U.S. products. Japan's GDP is only expected to gain 1.8 percent in 1992, down from 4.5 percent in 1991. And the EC's growth will probably remain stuck at about 1.5 percent, as Germany's central bank has raised interest rates, pursuing a tight monetary policy aimed at reducing inflation.

With U.S. interest rates low compared with Japan and Germany--particularly with Germany--the U.S. dollar has weakened on foreign exchange markets since spring. A less than robust U.S. economy has reduced expectations of higher interest rates in the United States in the

Table 2--U.S. Agricultural Exports: Value By Commodity 1990-92

Commodity	October-June 1990/91	October-June 1991/92	Fiscal 1991	Fiscal 1992 Forecast
	--Billion dollars--			
Grains and feeds 1/	9.325	10.695	12.544	13.7
Wheat & flour	2.195	3.365	3.058	4.3
Rice	.586	.585	.752	.7
Coarse grains 2/	4.222	4.305	5.653	5.7
Corn	3.620	3.403	4.872	4.7
Oilseeds and products	4.481	5.801	5.723	7.2
Soybeans	2.851	3.504	3.464	4.2
Soybean meal 3/	.768	1.041	1.010	1.3
Soybean oil	.097	.244	.192	.3
Livestock products	4.198	4.442	5.545	5.9
Poultry & products	.750	.898	1.007	1.2
Dairy products	.243	.526	.367	.6
Horticultural products	4.542	5.237	6.020	6.8
Tobacco, unmanufactured	1.291	1.282	1.533	1.5
Cotton & linters	2.408	1.921	2.619	2.3
Seeds	.494	.534	.625	.7
Sugar & tropical products	1.203	1.277	1.550	1.7
Total 4/	28.936	32.613	37.533	41.5

Table 3--U.S. Agricultural Exports: Volume By Commodity 1990-92

Commodity	October-June 1990/91	October-June 1991/92	Fiscal 1991	Fiscal 1992 Forecast
	--Million metric tons--			
Wheat	19.425	26.518	26.691	33.5
Coarse grains	38.715	37.534	51.802	50.4
Corn	33.103	29.533	44.496	41.0
Rice	1.946	1.751	2.418	2.2
Soybeans	12.399	15.659	15.139	18.8
Tobacco, unmanufactured	.202	.202	.239	.2
Cotton & linters	1.469	1.319	1.598	1.6
Subtotal--Major Bulk	74.156	82.898	97.887	106.7
Wheat flour	.805	.604	1.074	.9
Feeds, ingredients & fodders	8.486	8.684	11.397	11.5
Soybean meal 3/	3.783	4.900	4.962	5.9
Soybean oil	.157	.515	.354	.6
Sunflowerseed	.074	.085	.124	.2
Sunflowerseed oil	.113	.122	.160	.2
Other oilcakes and meals	.376	.541	.559	.7
Beef, pork & variety meats	.554	.644	.744	.9
Poultry meat	.467	.581	.614	.7
Animal fats	.851	1.027	1.169	1.3
Horticultural products	3.901	4.605	5.048	5.9
Other	4.026	5.117	5.607	6.0
Total 3/	97.749	110.408	129.350	141.5

1/ Includes pulses and corn products. 2/ Includes corn, oats, barley, sorghum, rye. 3/ Includes soybean hulls and bran; formerly included in feeds and fodders. 4/ Totals might not add due to rounding.

immediate future, while there has been little sign that Germany's rates would decline any time soon. A rebound for the dollar is unlikely as long as these circumstances continue.

Regional Highlights

European Community

The forecast for fiscal 1992 U.S. agricultural exports to the EC was unchanged, at $7.1 billion. This would be a $300 million increase from fiscal 1991 and the highest exports to the region since fiscal 1988. Increased exports of soybeans account for most of this year's gain, although high-value exports are continuing to grow as well. These gains are offsetting falling exports of cotton and grains.

The volume and value of U.S. exports of oilseeds and products in 1992 will increase substantially from fiscal 1991 levels. Despite lower demand for protein meal from the EC's livestock sector, U.S. soybean and soybean meal shipments have risen in fiscal 1992, primarily due to reduced supplies in South America that provided opportunities for the U.S. to ship during a period when Brazil and Argentina normally dominate the EC market.

Lower demand for protein meal is expected in the EC during 1992. EC protein feed demand from the dairy sector will fall as dairy herds continue to contract due to the effects of milk marketing quotas. Swine numbers are down by about 3 percent from last year in part due to an outbreak of "Porcine Reproductive Syndrome", or "Blue Ear Disease."

However, the poultry sector's demand for protein meal continues to grow. The broiler industry, a large consumer of soybean meal and a market for which the EC's domestic rapeseed and sunflowerseed meals are poor substitutes, continues to expand in response to rising demand. In addition, expected smaller 1992/93 EC rapeseed and soybean crops may provide an additional boost for EC import demand for soybeans and products in the last quarter of the fiscal year. The weakening of the U.S. dollar on foreign exchange markets in recent months is also expected to encourage EC imports.

U.S. exports of high-value products to the EC are expected to grow with gains in both livestock and horticultural exports. U.S. exports of animal product exports to the EC are expected to increase for the first time since the EC's hormone ban was imposed in 1989. The relisting of 7 beef packing plants by the EC (certifying them for export) in October 1991 has allowed U.S. fresh and frozen beef exports to the EC to regain sales lost when all U.S. beef plants were delisted in January 1991. Although EC beef consumption is expected to recover the lows reached in the wake of the appearance of the "Mad Cow Disease" (BSE), increased demand will not be met by imports. U.S. exports of beef and veal to the EC are expected to remain at the depressed levels which have prevailed since the introduction of the Hormone Ban in 1989.

After a year-long ban on U.S. pork for human consumption, U.S. exports to the EC resumed in fiscal 1992. Seven pork plants were provisionally relisted for export by the EC Veterinary Committee, effective October 14, 1991, and the EC recently extended this provisional certification until the end of August 1992. U.S. exports during the ban appeared to involve transshipment and meat for pet food and other non-human consumption. Since the beginning of fiscal 1992, EC imports of U.S. fresh or frozen pork nearly doubled, rising to 1.9 million tons.

U.S. exports of fruits, nuts and preparations to the EC are expected to show a strong increase during fiscal 1992, although slightly slower than fiscal 1991's increase. U.S. fruit exports rose 13 percent during the first 9 months of the fiscal year, but may level off for the remainder of 1992. Summer fruit crops in Europe are projected to exceed 1991 levels. Summer pears and peaches show especially large projected increases. U.S. apple

Table 4--U.S. agricultural export value by region, 1990-92

Region	October-June 1990/91	October-June 1991/92	Fiscal: 1991	Fiscal 1992 Forecast
	--Billion dollars--			
Western Europe	5.985	6.326	7.295	7.6
European Community 1/	5.575	5.911	6.764	7.1
Other Western Europe	.411	.415	.531	.5
Eastern Europe 2/	.249	.150	.306	.2
Former USSR	1.274	2.237	1.758	2.7
Asia	11.430	12.376	14.627	15.7
Japan	6.095	6.442	7.718	8.2
China	.532	.644	.668	.9
Other East Asia	3.605	3.794	4.626	4.9
Taiwan	1.326	1.507	1.728	1.9
South Korea	1.697	1.660	2.149	2.2
Hong Kong	.578	.626	.745	.8
Other Asia	1.198	1.496	1.615	1.8
Pakistan	.087	.155	.144	.2
Philippines	.260	.312	.373	.4
Middle East	1.060	1.287	1.430	1.5
Israel	.224	.263	.287	.3
Saudi Arabia	.374	.411	.536	.6
Africa	1.381	1.543	1.883	2.2
North Africa	1.039	1.059	1.387	1.4
Egypt	.523	.513	.692	.7
Algeria	.359	.407	.479	.5
Sub-Saharan Africa	.342	.483	.496	.8
Latin America	4.049	4.833	5.499	6.4
Mexico	2.142	2.775	2.885	3.7
Other Latin America	1.907	2.058	2.614	2.7
Brazil	.174	.127	.253	.2
Venezuela	.220	.279	.276	.4
Canada	3.251	3.537	4.389	4.8
Oceania	.259	.325	.346	.4
Total	28.936	32.613	37.533	41.5
Developed Countries	15.819	16.985	20.049	21.4
Developing Countries	12.581	14.984	14.748	16.4
Other Countries 3/	2.055	3.031	2.736	3.7

1/ Includes East Germany in 1991 and 1992.
2/ Excludes East Germany in 1991 and 1992.
3/ Includes the former Soviet Union, and China.

exporters will face competition if autumn and winter European harvests exceed, as expected, their 6-year average.

U.S. treenut exports are expected to benefit from last year's adverse weather in the EC. The Spanish almond crop was reduced for the second year in a row, while U.S. stocks are plentiful and competitively priced.

Japan

The value of U.S. agricultural exports to Japan in fiscal 1992 is projected at $8.2 billion, up from $7.7 billion in fiscal 1991. This forecast is up slightly from the May estimate of $8.1 billion.

U.S. beef and veal exports to Japan in fiscal 1992 are projected to increase moderately, after declining to 178,000 tons in fiscal 1991. Japanese beef imports are expected to rebound in 1992 since previously high Japanese beef stocks have diminished, and the 70-percent import tariff declined to 60 percent on April 1, 1992. The upward trend in Japanese beef consumption is expected to continue because of beef's increasing popularity among Japanese consumers, relatively low per capita consumption levels, and a gradual decline in beef prices.

U.S. pork shipments to Japan in fiscal 1992 are forecast to rise substantially from the year before. U.S. pork sales are expected to benefit from attractive U.S. prices, a favorable exchange rate, and a ready supply of chilled product. Japanese interest in U.S. chilled pork has increased because of its extended shelf-life (to an average of 45 days) and the decline in domestic production.

Japanese pork production is expected to continue to decline through 1993. The domestic pork industry has been adversely affected by a lack of farm successors, environmental problems, high input costs, low producer returns, and a high incidence of pseudorabies.

The Japanese Government recently announced that it will allow pork imports from the Netherlands. Imports could begin as early as this fall, following on-site plant inspections. Reportedly, the Netherlands will initially supply Japan with 3,000 to 4,000 tons annually (less than 1 percent of total pork imports).

U.S. soybean exports to Japan are expected to grow nearly 10 percent from the 3.5 million tons shipped in fiscal 1991. U.S. soybean exports will benefit from an expected increase in total Japanese soybean imports. Lower soybean meal imports from China, reduced fishmeal availability, and a leveling off in rapeseed crush are expected to bolster soybean crush during the October 1991 to September 1992 marketing year. In addition, U.S. oilcake and meal (mainly soybean meal) exports are forecast to reach their largest volume since the early 1980's.

In contrast, lower cotton exports to Japan are expected in 1992. Japanese demand for raw cotton is estimated to have contracted by 8 percent in MY 1991/92 (August/July) and is expected to remain flat in 1992/93. Japan's cotton spinning industry is beset with competition from modern synthetic fabrics and rising cotton goods imports. Although demand for U.S. Pima cotton has been vigorous, the outlook for continued strong growth is weakened by the limited demand for finer count, high-quality yarns, which are made from ELS (extra-long staple) growths, such as U.S. Pima.

Canada

The forecast for U.S. agricultural exports to Canada in fiscal 1992 was raised $100 million, to $4.8 billion. Improved prospects for exports of grain products account for much of the change. Grain and feed exports were expected to decline in fiscal 1992 because of reduced corn exports, historically, the largest component of this category.

Canada's corn supply is above normal with greater production in the 1991/92 crop year and relatively large stocks. U.S. corn exports to Canada are still expected down for fiscal 1992, but higher Canadian livestock numbers in 1992 have likely caused the increases in imports of other feeds.

Wheat and wheat flour exports to Canada have also risen significantly in fiscal 1992, although the amount remains minor relative to total grain and feed exports. This is primarily the result of the removal of Canadian Wheat Board (CWB) import licenses on wheat and wheat products in June 1991. The removal occurred because of calculations under Article 705 of the U.S.-Canada Free Trade Agreement (FTA) determined that U.S. support levels for wheat were less than that of Canada during the 1988/89 and 1989/90 crop years. The 1992 calculations showed that U.S. support for barley remained above Canada for the 1989/90 and 1990/91 crop years, allowing CWB import licenses to remain on barley and barley products.

In addition to processed grain products, gains are expected in other U.S. high-value exports to Canada in fiscal 1992. However, the rate of growth is expected to slow, partly due to a weakening of the Canadian dollar. In inflation-adjusted terms, the weakening has accelerated since the beginning of fiscal 1992.

U.S. high-value exports to Canada have also been restrained by weak prospects for exports of U.S. meat to Canada. U.S. meat exports to Canada rose 38 percent, to $438 million, in fiscal 1991. However, during the first 9 months of fiscal 1992, exports rose only 1 percent as expanded Canadian beef production has precluded export gains for the United States. Canadian beef cattle inventories increased 3 percent and greater dairy cattle slaughter has followed a reduction of industrial milk production quotas there.

Former Soviet Union

U.S. agricultural exports to the former USSR (FSU) are expected to increase nearly $1 billion in fiscal 1992, reflecting increased availability of credit and an increased need for imports. However, at $2.7 billion, the forecast for U.S. agricultural exports to the FSU in fiscal 1992 remains unchanged since May.

A number of factors have raised Soviet demand for agricultural imports this year, foremost being the sharp drop in 1991 grain agricultural production and the breakup of the former USSR. Increased credit availability for sales of U.S. agricultural products to the FSU stems from increased credit guarantees through USDA's GSM Program.

Grain production in the FSU fell in 1991/92 largely because of unfavorable weather. A contributing factor was the disruption caused by economy-wide problems, which the breakup of the Union exacerbated. Disruption in the flow of goods has resulted in factories and farms not receiving necessary inputs, which further hurts production.

The main determinant of needs by the FSU, though, has not been domestic grain production, but the amount of grain procured by the state. The large cities must rely on the central supply and distribution system (formerly at the All-Union level, now at the republic level) for supplies of food grain to manufacture bread for local consumption. If the central authorities cannot purchase enough grain from farms, they have no alternative but to seek imports. One major reason the state has had trouble procuring grain in 1991/92 is that macroeconomic imbalance has caused the ruble to weaken seriously as an accepted means of exchange. The undesirability of selling for rubles has weakened the ability of the state to procure as well as incentives to produce. Higher imports have been necessary during fiscal 1992 as lower grain production compounded the unwillingness of producers to supply grain to the state.

Central and Eastern Europe

U.S. agricultural exports to Central and Eastern Europe (CEE) are expected to decline in fiscal 1992 to approximately $200 million. U.S. agricultural exports to CEE were $306 million in 1991 and $533 million in 1990. The expected drop in U.S. agricultural exports to the region is a result of a good 1991/92 harvest in most of the CEE's, restructuring economies that are shifting demand patterns, and the lack of hard currency needed to buy U.S. products. U.S. Government credit guarantee and food aid programs is helping alleviate the effect of the hard currency shortage for countries requesting aid.

The end of dry weather in the area generally led to improved 1991/92 grain harvests. This, coupled with declining domestic demand, have led to surpluses of grains, meats, and dairy products in Poland, Czechoslovakia, Hungary, and to some extent in parts of former Yugoslavia. Therefore, very little meat and meat products, dairy products, or grains are expected to be exported to CEE, except in the form of food aid and credit guarantees to Albania and Romania.

Oilseed exports are expected to stabilize or decrease slightly as farmers are reducing inventories and seeking less expensive feed for their remaining livestock.

The Romanian Government has expressed a keen interest to both the U.S. and the EC for assistance programs to meet domestic demand. The 1991/92 harvest in Romania was hampered by confusion over ownership rights, and food marketing has been disrupted because of the unwillingness of producers to sell their output, mainly grains and sugar beets, to processors. The request to the U.S. included wheat, corn, and sorghum under PL-480 Title I and Section 416(b). So far, the U.S. Government has granted assistance in the form of protein meals ($11 million), oilseeds ($29 million), and cotton ($10 million) under the USDA's GSM-102 export credit guarantee program. Through aid and purchase, Romania is likely to import almost $75 million from the U.S., which makes it the largest importer of U.S. agricultural commodities in the region.

Additionally, the United States is providing food aid to Albania of 40,000 tons of wheat, 20,000 tons of vegetable oil, and lesser amounts of butter and non-fat dry milk. A recent P.L. 480 Title I agreement provides for exports of 46,000 tons of sunflowerseed to Bulgaria. Cotton is forecast to be a major U.S. import for Czechoslovakia, Hungary, and Romania.

China

Prospects for U.S. wheat sales to China have weakened slightly since May, reducing the forecast for U.S. agricultural exports to China by $100 million. However, at $800 million, the forecast for 1992 exports still is up from 1991 exports of $668 million. The value of exports to China in fiscal 1992 is expected to rise because of increases in wheat, soybean oil, live baby chicks, and cattle hide shipments. Some of the increase, however, should be offset by an expected decline in cotton.

Despite a relatively successful 1990 wheat harvest, China was a significant player in international wheat markets during the first three-quarters of fiscal 1992. However, China's purchases have slackened sharply in recent months as it harvested an excellent winter wheat crop of good quality. Nearly 4.2 million metric tons of U.S. wheat were shipped to China during October-June, compared with 3.7 million tons during all of 1991. However, China has not made any purchases of U.S. wheat since last November when prices were much lower than during the first half of calendar 1992.

Among other U.S. agricultural exports, whole cattle hides, vegetable oils, and live baby chick shipments will continue their healthy growth. In fiscal 1992, excluding the value of wheat and cotton, these 3 commodities are expected to account for nearly 58 percent of the remaining export value, up from 16 percent in 1991. Most other minor agricultural exports will likely see moderate increases if China's GNP continues to grow at the annualized rate of 10.6 percent registered during the first 6 months of the year.

The only significant decline in fiscal 1992 U.S. agricultural exports will be in cotton. Last year's successful harvest in China, and a projected harvest this year of 5.5 million metric tons, will reduce import demand. High textile mill inventories will lower consumption. Lower consumption and a successful cotton procurement season will likely keep the stock-to-use ratio high, reducing China's demand for U.S. cotton. China has also paid less per ton for U.S. cotton in 1992, which is also contributing to the decline in export value.

Taiwan

U.S. farm product sales to Taiwan in fiscal 1992 are forecast to increase about 10 percent to $1.9 billion. Increased sales are mainly caused by larger imports for many bulk commodities, including wheat, coarse grains, cotton, and unmanufactured tobacco. In addition, the growth of demand for many high-value products such as fruits and preparations, and vegetables and preparations continues to be strong.

Taiwan's continued strong economic growth and the appreciation of local currency mean continued good prospects for sales of U.S. high-value products to Taiwan. Real GDP growth is expected to reach at least 7 percent in 1992. The boom in indirect trade between Taiwan and China, which surged 33.2 percent in the first 5 months of this year, helped boost the island's trade performance. In addition, domestic demand is expected to provide an alternative stimulus to economic growth. Cheaper imports, moderate inflation, higher personal income, and larger public-sector spending should contribute to increased consumption expenditures and help improve overall economic performance.

Although Taiwan's feed wheat intake (mainly for the shrimp culture sector) is declining slightly, wheat imports are expected to grow due to increased food use. The United States will continue to dominate Taiwan's wheat import market, with Canada and Australia as the remaining minor suppliers. According to the 3-year Taiwan-Canada wheat accord, Taiwan buys about 108,000 tons of Canadian wheat annually during 1991-93. By comparison, Taiwan imported more than 700,000 tons from the United States in fiscal 1991. Taiwan imported 15,000 tons of Australian wheat in March 1992, the first Australian wheat imports since 1978.

The present wheat import system, which limits imports to members of the Taiwan Flour Mills Association (TFMA), has helped the United States to maintain a strong market share in Taiwan. Under increasing challenges, however, particularly from the Taiwan Confectionery, Biscuit and Flour Food Industry Association, the government announced that after June 1, 1993, it will allow other non-TFMA members to import wheat. Thus, more competition for Taiwan's wheat market is expected after June 1993, but until then U.S. market share in Taiwan should remain strong.

Higher U.S. cotton exports to Taiwan are expected in fiscal 1992. Currency appreciation and rising labor costs have substantially affected the competitiveness of Taiwan's export-oriented textile industry since the mid-1980's, and U. S. cotton exports to Taiwan have stagnated for the past 4 years. This year's increases are likely caused by lower world cotton prices and Taiwan's increased production of cotton fabrics for export to overseas markets where the Taiwanese have moved their textile operations. In addition, Taiwan's textile industry continues to follow the example of Japanese industry in producing higher quality products with superior technology and marketing. This move should trigger an improvement in the U.S. share of Taiwan's cotton demand because of the high quality of U.S. cotton, although, over the long-run, raw cotton usage will decrease.

According to a survey conducted by the Taiwan Tobacco and Wine Monopoly Bureau (TTWMB), Taiwan's only manufacturer for cigarettes, consumers on Taiwan have switched their preference to American-type cigarettes since the cigarette import liberalization move in 1987. The market share for local brand cigarettes in 1992 is estimated at about 83 percent, down 1 percent from last year. TTWMB, which has manufactured British-type cigarettes, is attempting to increase U.S. tobacco use in a local brand of cigarettes and create an American blend cigarette. As a result, import demand for U.S. unmanufactured tobacco will be higher in fiscal 1992.

South Korea

The August forecast for U.S. agricultural exports to South Korea during fiscal 1992 is unchanged from May's $2.2 billion, and slightly above a year earlier. Higher exports are expected this year as gains in U.S. exports of beef, soybeans, and tobacco more than offset export decreases in cattle hides, corn, and cotton.

Korea is expected to remain a strong market for U.S. soybeans based on rapid growth in livestock numbers and the continued concentration of livestock on larger farms that use more compound feed per animal. U.S. soybean exports to Korea are also benefitting from the tight supply situation in South America.

A major Korean policy decision affecting soybean imports was the implementation of a tariff quota on soybean oil imports. This was imposed on July 1, 1991 for a period of one year, but may be renewed. The high tariffs (25-30 percent) on soybean, rapeseed, and sunflower oil imports will continue to protect local crushers and consequently to support soybean imports.

China has sharply increased its exports since its entry into the Korean corn market in 1990. The Korean feed industry is very price sensitive and China has consistently offered lower delivered prices than U.S exporters, partially due to a freight advantage. Based on large exportable supplies from China and current Korean utilization patterns, fiscal 1992 corn imports from the U.S. are forecast to drop. During the first three-quarters of fiscal 1992, U.S. corn exports to Korea fell 25 percent, to 1.1 million tons. However, there may be some improvement in U.S. corn exports during the final quarter. Korea's feed wheat imports are expected to slow, and the large prospective 1992 U.S. corn crop will mean significantly lower prices.

Factors affecting U.S. cotton exports to Korea in the short term are price competitiveness and continued availability of GSM-102 credit guarantees. During the first half of the present fiscal year, U.S. raw cotton market share dropped sharply due to tight U.S. supplies and high prices. Recently there has been an improvement in the U.S. supply and price situation, but Korea's imports of U.S. cotton are still restrained by the present economic downturn in the Japanese economy. Japan is Korea's largest market for high count, high quality yarns made from ELS cotton, of which the U.S. is the primary supplier.

Slower economic growth is affecting Korean purchases of U.S. cattle hides as well. Recession in Korea's export markets for athletic shoes and garments has dampened Korean demand for hides from the United States. In addition, the wages of Koreans involved in shoe manufacturing and garment industries have risen to the point where Korea is much less competitive than some other Asian countries.

Despite slower GDP growth in much of the developed world, Korea is expected to maintain its GDP gains in excess of 7 percent again in 1992, fueling its consumption and imports of high-value products such as beef. Korean consumption of beef is expected to increase strongly again this year. The chief factors are rising per capita income, high pork prices and increased availability of relatively low priced imported beef.

Korean beef import policy consists of a quota system designed to control inflation in the face of rapidly increasing pork prices. The initial quota for 1992 was set at 68,000 MT (94,000 MT carcass) and then raised to 132,000 MT (181,000 MT carcass). For all practical purposes, the quota has not been a limiting factor and imports are likely to significantly exceed quota this fiscal year.

Hong Kong

The value of U.S. agricultural exports to Hong Kong in fiscal 1992 is forecast to rise 5 percent from the year before to $800 million. Larger shipments of U.S. poultry meat, wheat, and cotton in fiscal 1992 are chiefly behind the higher export figure. Stronger economic growth in Hong Kong during 1991 and 1992, compared with the previous 2 years, has aided U.S. agricultural sales, especially high-value products. U.S. farm exports to Hong Kong can be expected to continue growing as the population's standard of living improves.

U.S. poultry meat exports to Hong Kong in fiscal 1992 are projected up significantly from the previous year. U.S. poultry meat sales to Hong Kong have benefited from a decline in Hong Kong's poultry-raising industry, greater consumer acceptance of frozen imports, and increased re-exports China. Frozen poultry meat imports have continued to make inroads into Hong Kong, traditionally a market for fresh poultry, because of lower prices and convenience. Although the United States is the largest supplier of frozen poultry meat to Hong Kong, competition from Brazilian chicken wings could heat up.

Although the value of U.S. cotton exports are expected to decline overall, exports to Hong Kong in fiscal 1992 are estimated to increase. After making considerable gains during the past few years, U.S. cotton is maintaining its strong presence in the Hong Kong market. The U.S. share of Hong Kong's cotton imports was 26 percent in MY 1990/91 (August/July), up from 22 percent the previous year. The higher price of U.S. cotton relative to that of other suppliers is reportedly the chief obstacle to U.S. cotton recapturing a major share of the market.

U.S. tobacco shipments to Hong Kong in fiscal 1992 are forecast to decline. U.S. tobacco sales last year were hurt by a slowdown in Hong Kong's cigarette industry and a loss in market share. Over the past several years, Hong Kong's cigarette manufacturers have gradually shifted to other tobacco suppliers, and this trend is expected to continue. China is the United States' strongest competitor in this market. The Hong Kong Government is in the process of passing stricter anti-smoking regulations curbing tobacco advertisements and smoking in public, which could further dampen U.S. tobacco exports.

Middle East and North Africa

During fiscal 1992, U.S. agricultural exports to the Mideast may rebound by about 10 percent to over $1.5 billion, the first increase since 1989. Gains during October-June have been widespread to most countries in the region, with the exception of Iraq. Termination of sales to Iraq, plus credit problems with other markets caused U.S. agricultural exports to the Mideast to decline 12 percent to $2 billion in fiscal 1990, and then to $1.4 billion in fiscal 1991.

The forecast for fiscal 1992 U.S. agricultural exports to North Africa was raised $100 million this quarter, due in part to increased wheat sales, particularly to Egypt. The outlook for U.S. sales of vegetable oils to the region has improved as well, with increased sales under the Export Enhancement Program (EEP). However, the value of U.S. agricultural exports to North Africa will only just match 1991's $1.4 billion, due to reduced shipments of other commodities. For example, Egypt has greatly increased purchases of U.S. wheat during the first three-quarters of fiscal 1992, but sharply reduced its corn and soybean meal imports.

Mexico

Mexico continues to be one of the largest markets for U.S. agricultural products and is expected to be one of the fastest growing markets for U.S. high-value products this year.

Fiscal 1992 U.S. agricultural exports are now forecast at a record $3.7 billion, more than 25 percent higher than in 1991. The forecast was raised $300 million this quarter due to a stronger outlook for U.S. sales of livestock products, coarse grains, and soybeans.

Mexico is one of the fastest growing export markets for U.S. meat, including beef, pork, and poultry meat. Livestock and livestock product sales, including cattle and calf sales, are about 70 percent ahead of last year. Feeder steers and cross-bred, dual purpose cattle (milk and beef) exports to Mexico are estimated to increase from 160,612 head in fiscal 1991 to at least 273,000 head in fiscal 1992. Part of this growth can be attributed to Mexico's strong economic growth and rising incomes which has expanded domestic red meat consumption.

In addition, some Mexican slaughter houses have found U.S. live cattle prices to be attractive. Slaughter houses have found it profitable to import live U.S. cattle due to the less expensive labor and their ability to sell all parts of the animal on the local market. Finally, at the farm level, production costs for Mexican beef are higher than in the United States because of limited domestic supplies of feedstuffs, tariff and non-tariff barriers for feed grain imports, and inefficient processing and marketing systems.

Unilateral import liberalization in Mexico and increased input subsidies for corn has led to increased imports of U.S. grain sorghum. In addition, the continuing strength of the Mexican economy, boosting incomes in Mexico and increasing demand for a greater volume and variety of food and feed products is also contributing to the current surge in Mexican imports of wheat, rice, oilseeds and products, and feed grains from the United States.

U.S. exports of sorghum to Mexico are expected to nearly double in 1992. Declining producer prices of sorghum relative to corn lead to a decline in area planted, which was not sufficiently compensated by moderate yield gains. Increased sorghum demand, driven by rising feed requirements has lead to higher grain sorghum sales to Mexico. Rising feed requirements are also boosting U.S. sales of soybeans and soybean meal in Mexico this year.

The negotiation of a North America Free Trade Agreement (NAFTA) was formally concluded in August 1992. When implemented, the agreement is expected to assure continued growth in U.S. agricultural exports to Mexico and provide the potential for improved export opportunities as a result of the lower trade barriers and higher Mexican incomes. It has been estimated that NAFTA will to boost market opportunities for U.S. bulk commodities (coarse grains, wheat, sorghum, and soybeans), high-value farm products (cattle, meat, poultry, dairy products, hides, feeds and fodder, and soybean meal), and a variety of U.S. horticultural products including fresh apples, pears, peaches, fresh vegetables, and tree nuts. More generally, NAFTA will help assure the permanence of Mexico's progress towards trade liberalization.

Brazil

The outlook for U.S. agricultural exports to Brazil has weakened slightly since May, and export value is now expected to fall nearly $100 million from fiscal 1991's $253 million. Brazil's severe recession continues, the cruzeiro remains devalued, and Brazilian trade policy continues to favor exporters other than the United States for some key commodities. Earlier in 1992, the Brazilian milling industry was lobbying for a temporary suspension of import tariffs which would have made U.S. wheat competitive with Argentine wheat. However, the wheat import tariffs remain unchanged and U.S. wheat exports to Brazil are expected to fall in fiscal 1992.

Agricultural Export Programs

Activity under U.S. agricultural export programs is generally higher than fiscal 1991. Fiscal 1992 EEP wheat sales to date are slightly lower than in 1991, although sales under the credit guarantee programs are much higher due to increased purchases by the former Soviet Union and Mexico. Fiscal 1992 budgets for food aid are up slightly from fiscal 1991, reflecting greater Title I allocations and additional donations to Somalia and southern African countries.

The Export Enhancement Program

The Export Enhancement Program (EEP) continues to target markets where competitors subsidize their exports. Total EEP bonuses for fiscal 1992 as of August 20 were $840 million, about $75 million lower than total fiscal 1991 bonuses. The major share of fiscal 1992 EEP bonuses, 84 percent, have been for wheat sales. Bonuses to date for value-added products (flour, barley malt, vegetable oil, frozen poultry, and table eggs) accounted for 8 percent of total EEP bonuses in fiscal 1992.

Fiscal 1992 wheat sales of 16.4 million tons as of August 20 are about 2 percent above last year's sales for the same period. The chief EEP wheat market in fiscal 1992 as of August 20 was the former Soviet Union and newly-independent republics, accounting for 49 percent of total EEP wheat sales. Other major EEP wheat markets have been Egypt, China, Algeria, and the Philippines, together accounting for 39 percent of fiscal 1992 EEP sales to date.

Importers in the former Soviet republics already have purchased 8 million tons of wheat in fiscal 1992, more than double 1991 purchases. The former Soviet republics have 1.9 million tons of wheat available from a July 1992 initiative, but in most cases will need additional guaranteed credit as well as price incentives to purchase U.S. wheat. Egyptian importers were active buyers of 2.9 million tons of EEP wheat in fiscal 1992, and, as of August 20, had exhausted the 500,000 tons offered under the most recent, May 1992, initiative. USDA made available 2 million tons of EEP wheat to Chinese importers on May 14, 1992. China had not purchased any as of August 20. Algeria purchased over 1 million tons of wheat in fiscal 1992 under the EEP and has an additional 900,000 tons available under an initiative announced in July.

In fiscal 1992, the chief value-added products by level of EEP bonuses have been vegetable oils and flour. Fiscal 1992 EEP flour sales to date are down 55 percent from 1991. Major buyers are Egypt and Yemen. In contrast, year-to-date fiscal 1992 vegetable oil sales of 383,910 tons are more than double 1991 sales. Major buyers are the former Soviet republics, Morocco, Turkey, and Tunisia. The vegetable oil EEP program was expanded in fiscal 1991 and 1992 to many new markets including China, the Dominican Republic, Hong Kong, Mexico, and the former Soviet Union. Increased fiscal 1992 EEP vegetable oil sales reflect sales to many of these more recently targeted markets.

USDA also announced EEP offers for two new products - canned peaches and pork products - in June and July. On June 16, USDA announced opportunities for EEP sales of 5,000 tons of canned peaches for importers in Japan; 1,500 tons for Korea; and 2,500 tons for Mexico. USDA also announced opportunities for EEP sales of 30,000 tons of pork products (boxed pork or split carcasses) to the former Soviet republics. As of August 20, no sales had been announced for either of these new EEP products.

Export Credit Guarantee Programs

As of August 14, 1992, credit guarantees approved under the GSM-102 and -103 programs totaled about $5.1 billion, of which more than $5 billion were under the GSM-102 program. Approvals give an indication of the level of sales activity under the program. Compared

Table 5--EEP sales and remaining balances: Volume by commodity and country, 1990-92

Region	Country	1990 sales	1991 sales	1992 sales (as of 8/20)	Remaining balance	Most recent initiative
			-- Metric tons --			
Wheat:		14,360,784	17,813,386	16,419,653	8,285,055	
North Africa:	Algeria	1,599,300	1,757,500	1,023,150	900,000	July 92
	Egypt	1,338,200	1,732,575	2,936,780	0	May 92
	Morocco	169,050	438,770	479,850	520,150	September 91
	Tunisia	275,000	298,875	100,000	150,000	September 91
Other Asia:	China	3,880,075	5,708,460	1,699,400	2,000,000	May 92
	Philippines	937,720	1,611,836	754,000	756,400	February 92
	Sri Lanka	349,500	199,300	299,200	150,000	June 92
	Bangladesh	0	30,000	221,930	422,825	June 92
Former Soviet Union		3,799,350	3,173,145	8,049,245	1,917,425	July 92
Other regions*		2,012,589	2,862,925	856,098	1,468,255	
Feed grains:		1,699,625	1,788,000	1,141,720	958,080	
	Algeria	223,000	0	100,000	400,000	August 91
	Cyprus	24,875	25,000	75,000	0	Expired
	Israel	78,000	261,400	218,020	7,580	August 91
	Jordan	200,000	100,000	249,200	100,000	May 92
	Saudi Arabia	1,075,000	1,401,600	200,000	0	Expired
	Former Soviet Union	0	0	299,500	450,500	November 91
Vegetable oil:		44,500	165,500	388,450	294,700	
	Algeria	3,000	36,000	39,000	27,000	August 91
	China	0	0	20,000	0	Expired
	Dominican Republic	0	7,000	23,000	20,000	July 92
	Hong Kong	0	0	500	59,500	June 92
	Mexico	0	11,000	8,020	0	Expired
	Morocco	6,000	33,000	78,000	36,000	May 92
	Tunisia	35,500	48,500	60,000	0	Complete
	Turkey	0	30,000	77,900	4,500	June 92
	Former Soviet Union	0	0	82,030	147,700	May 92
Flour:		187,400	510,500	231,665	1,147,675	
	Egypt	93,000	12,500	108,500	141,500	February 92
	Former Soviet Union	0	47,000	0	500,000	November 91
	West/Central Africa	94,400	126,000	48,165	281,175	May 92
	Yemen	0	325,000	75,000	225,000	July 92
Table eggs (dozens):		7,119,560	21,008,889	20,488,060	4,511,940	
	Hong Kong	6,432,070	16,008,889	15,498,460	4,501,540	November 91
	Near East	687,490	5,000,000	4,989,600	10,400	December 91

*Other regions include selected countries from: the Middle East, Sub-Saharan Africa, South America, the Caribbean, and Europe.

Fiscal 1990 and 1991 EEP sales are from USDA, FAS. Fiscal 1992 sales are from USDA, ERS as of August 20, 1992.

to the same time last fiscal year, approvals are up approximately 33 percent. These gains are due chiefly to greater purchases by importers in the former Soviet Union, including Russia, and Mexico, which are also the top markets in the GSM-102 program. Importers in these markets have used almost all of their allocations.

Export credit programs will likely play a larger role in U.S. agricultural trade than in fiscal 1991. Total fiscal 1992 U.S. agricultural exports from October through June (the latest data available) rose about 12 percent above year-earlier levels. In comparison, GSM-102/103 approvals rose substantially more, by about 45 percent.

Food Aid Programs

Food aid under the P.L. 480 program for fiscal 1992 is budgeted at approximately $1.6 billion, about 4 percent higher than fiscal 1991.

On July 21, USDA announced revised country and commodity allocations for Title I of P.L. 480 and the Food for Progress Program that is funded from Title I appropriations. Since the third quarter, Title I allocations were increased for Congo, Guyana, Morocco, Tunisia, and Zimbabwe; and new Title I agreements were signed with Cote D'Ivoire, El Salvador, Estonia, Latvia, Lithuania, Romania, Suriname and Zimbabwe. Title I allocations for the Dominican Republic and Poland were withdrawn, and Romania's allocation was reduced.

The Food for Progress program is a separate authorized program that may be funded with Title I funds and is used to support countries that are emerging democracies and that have made commitments to introduce or expand free enterprise elements in their agricultural economies. For fiscal 1992, Albania, Nicaragua, and Panama have signed Food for Progress agreements using funds transferred from Title I that total $56.5 million.

In response to the drought affecting southern African countries, the United States pledged more than 1 million tons of food on June 2. Mozambique, Zambia, Zimbabwe, are the largest recipients.

On August 14, President Bush announced that the United States would provide 145,000 tons of food aid to help famine victims in Somalia. This is in addition to the 80,000 tons of food aid that had been previously pledged. Commodities involved include corn, rice, vegetable oil, and other foods.

In addition, on August 25, the Secretary of Agriculture announced that $145 million of P.L. 480 Title I and Title III assistance was offered to 14 countries, which included Armenia, Azerbaijan, Belarus, Estonia, Georgia, Krygyzstan, Latvia, Lithiuania, Moldova, Morocco, Sri Lanka, Tajikistan, Zambia, and Zimbabwe. Wheat is likely the commodity of greatest need, although flour, feed grains, or soybean meal may also be requested.

Agricultural Imports

U.S. agricultural imports are expected to reach a record $23.5 billion for fiscal 1992, 4 percent higher than last year. This is $500 million more than the May forecast. Competitive products will rise by 4 percent, noncompetitive products by 5 percent.

Imports of animals and animal products will be about $5.5 billion, 3 percent less than last year. Live animal imports will rise by 4 percent. Beef imports are expected to remain at last year's level. However, beef imports from Canada have jumped by 40 percent through three quarters of fiscal 1992. Pork imports will be down 25 percent to about $600 million due to lower domestic pork prices and greatly reduced shipments from eastern Europe.

Horticultural imports are expected to reach $6.8 billion this year, a gain of 5 percent. Fruit imports will approach $1.4 billion, about 10 percent higher than last year, and imports of fruit juice will approach $900 million, up 18 percent. Much of the increase in import value has been driven up by increased prices as import volume will remain about the same as last year. Wine and beer imports will reach nearly $2 billion, a 7 percent rise. Vegetable imports from Mexico through the third quarter of fiscal 1992 are down 15 percent from a year ago due to excessive rain earlier in 1992. This large drop is expected to lower overall vegetable imports by 3 percent to about $2.1 billion in fiscal 1992.

Imports of grains and feeds are expected to rise to nearly $1.5 billion, an 18 percent gain, partly due to larger durum wheat and feed corn imports from Canada. Oilseeds and products, and unmanufactured tobacco are each expected to rise by about 15 percent. Seed imports will be slightly higher and sugar will decline.

Imports of the major noncompetitive products, except for coffee, will increase over last year. Banana and cocoa imports will both rise by about 10 percent and spices by 14 percent. Tea imports are expected to be about $200 million for the year, 32 percent ahead of last year. Although forecasted coffee import volume increased, low prices will cause the import value to fall by about 2 percent from last year.

Table 6--U.S. agricultural imports: Value by commodity, 1990-92

Commodity	October-June 1990/91	October-June 1991/92	Fiscal 1991	Fiscal 1992 Forecast
	--Billion dollars--			
Competitive Products	13.119	14.222	17.710	17.8
Animals and products	4.284	4.222	5.645	5.5
Live animals	.953	.995	1.131	1.2
Beef and veal	1.489	1.481	2.024	2.1
Pork	.660	.468	.866	.8
Dairy products	.555	.578	.807	.8
Horticultural products	4.799	4.938	6.453	6.8
Fruits (incl juices)	1.347	1.520	2.042	2.3
Vegetables and preps	1.770	1.701	2.185	2.1
Nuts and preparations	.336	.311	.443	.4
Wines and malt beverages	1.345	1.406	1.784	2.0
Grains and feeds	.952	1.120	1.271	1.5
Sugar and related products	.790	.763	1.132	1.0
Oilseeds and products	.723	.814	.959	1.1
Tobacco, unmanufactured	.490	NA	.698	.8
Seeds	.139	.171	.173	.2
Noncompetitive products	4.201	4.449	5.418	5.7
Bananas and plantains	.730	.825	.992	1.1
Coffee, incl. processed	1.465	1.437	1.831	1.8
Cocoa, incl. processed	.790	.869	1.005	1.1
Rubber and allied gums	.518	.554	.664	.7
Spices	.200	.201	.264	.3
Tea	.114	.129	.152	.2
Total	17.320	18.131	22.588	23.5

Table 7--U.S. agricultural import volume: selected commodities, 1990-92

Commodity	October-June 1990/91	October-June 1991/92	Fiscal 1991	Fiscal 1992 Forecast
	--Thousand metric tons--			
Competitive Products	7,052	7,400	13,841	14,600
Live animals	379	373	811	800
Beef and veal	159	133	322	260
Pork	96	105	216	230
Horticultural products	2,309	2,234	4,083	4,100
Fruits (incl juices)	1,061	1,156	2,084	2,200
Vegetables and preps	1,157	997	1,832	1,700
Nuts and preparations	91	81	167	150
Wines and malt beverages 1/	5,750	5,397	11,956	12,500
Fruit juice 1/	14,114	13,859	27,948	27,000
Grains and feeds	2,019	2,619	4,163	5,000
Sugar and related products	830	595	1,785	1,385
Oilseeds and products	1,063	1,136	2,077	2,200
Tobacco, unmanufactured	95	109	215	220
Seeds	102	96	169	170
Noncompetitive products	3,088	3,500	6,198	6,900
Bananas and plantains	1,636	1,780	3,397	3,650
Coffee, incl. processed	616	704	1,116	1,250
Cocoa, incl. processed	331	430	680	800
Rubber and allied gums	403	461	792	860
Spices	56	68	111	125
Tea	46	57	102	125

1/ 1,000 HL. Not included in totals.

Table 8--U.S. agricultural imports: Value by country, 1990-92

Region	October-March 1990/91	October-March 1991/92	Fiscal 1991	Fiscal 1992 Forecast
	--Billion dollars--			
Western Europe	3.633	3.749	4.846	4.9
European Community 1/	3.322	3.467	4.439	4.5
Other Western Europe	.310	.282	.411	.4
Eastern Europe	.244	.288	.306	.3
Former USSR	.010	.012	.014	8/
Asia	2.346	3.120	3.558	4.0
Japan	.204	.191	.267	.3
China	.231	.281	.305	.4
Other East Asia 2/	.261	.241	.352	.3
Other Asia 3/	1.650	2.407	2.328	2.7
Middle East 4/	.311	.300	.407	.4
Africa	.256	.531	.567	.8
North Africa 5/	.022	.053	.052	8/
Sub-Sahara Africa	.234	.478	.514	.6
Latin America	6.319	6.215	7.918	7.8
Mexico	2.188	1.907	2.536	2.3
Other Latin America	4.131	4.308	5.382	5.5
Brazil	1.020	1.013	1.319	1.3
Canada	1.617	1.888	3.215	3.7
Oceania	1.567	1.538	2.165	2.0
Total	17.320	18.131	22.589	23.5
Developed Countries 6/	7.894	8.446	10.539	11.2
Developing Countries	9.194	9.385	11.425	11.6
Other Countries 7/	.232	.283	.624	.7

1/ Excluding East Germany prior fiscal 1991; including E. Germany in 1991.
2/ Korea, Hong Kong, and Taiwan.
3/ Afghanistan, India, Pakistan, Nepal, Bangladesh, Sri Lanka, Burma, Thailand, Vietnam, Laos, Cambodia, Malaysia, Singapore, Indonesia, Brunei, Philippines, and Macao.
4/ Turkey, Cyprus, Syria, Lebanon, Iraq, Iran, Israel, Jordan, Kuwait, Saudi Arabia, Qatar, United Arab Emirates, Yemen, Oman, and Bahrain.
5/ Morocco, Algeria, Tunisia, Libya, and Egypt.
6/ Western Europe, Japan, Canada, Israel, South Africa, and Oceania.
7/ Includes the former USSR.
8/ Less than $50 million.

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