Terms Of Trade Decline 1980-2001

Terms of trade here refers to the relative value of exports compared to the cost of imports. A decline in terms of trade is when the value of exports decreases in relation to the value of imports. This means that in the territories shown here there needs to be increasing spending by local people to maintain living standards.

Of the 200 territories mapped, 126 experienced declining terms of trade. The territories with the largest relative falls in terms of trade were Burundi, Mexico, Chile and Peru. In Mexico, by 2001 terms of trade had fallen to 33% of the 1980 figure; resulting in the largest absolute decline of US$ 176 billion less per year.

Territory size shows the proportion of fall in terms of trade between 1980 and 2001 weighted by the current spending on imports of goods and services, that occurred there. Only declining terms of trade are shown.

“A tractor which cost five tons of Tanzanian tea in 1973 cost double that 10 years later. The less developed countries were (and still are) running just to stand still.”

Graham Young, 1990

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