

PART I

EXPORTING TO DEVELOPING COUNTRIES

Market Overview

Vast sums of money are expended on Third World development projects. In fact, in 1984, developing countries received \$95 billion from all sources of financial aid. Of this, about \$16 billion came from multilateral financing.

The following table shows the amounts of money actually spent in 1984 by IFIs and the UNDP on ongoing development projects, as well as amounts committed for new projects.

Development Financing through Multilateral Agencies: 1984

	(In \$ billions)	
	Disbursed	Committed
World Bank	11.10	15.73
IDB	2.38	3.58
AsDB	1.00	2.23
AfDB	0.29	0.88
CDB	0.03	0.05
UNDP	0.53	0.79
TOTAL	15.33	23.26

Source: 1984 annual reports

These figures do not reflect the total volume of business generated by IFI activities since IFIs do not finance the total cost of a project, but a percentage which varies from country to country. The borrowing government must put some of its own money into the project, often by paying for local costs or by making

some cash or "in kind" contribution. Other sources of financing, such as official export credit agencies, bilateral aid agencies of donor countries and private sector banks, are also frequently tapped to cover the remaining gaps. This is known as cofinancing.