The debtor countries have also been concerned by the drying-up of export credits that has followed after the Mexican crisis. According to the World Bank, the level of official or officially-supported export credits to developing countries dropped from $14 billion in 1981 to $8 billion in 1983. In the low-income developing countries, the decline in trade financing was even more severe, falling from $1.2 billion in 1980 to $250 million in 1983. These cuts reflected the understandable caution of export credit agencies — faced with reschedulings and heavy insurance claims — to continue financing customers who were no longer judged creditworthy. They also reflected the lack of demand for such credits by developing countries themselves as their investment programs contracted.

Even the international financial institutions are contributing to the reverse flow of funds from developing countries. Because IMF loans made in 1982 and 1983 were on a relatively short-term basis, it was not long before funds began to flow back. IMF statistics indicate that in 1986 the Fund has been the net recipient of $200 million from the problem debtors and this will increase to $1.6 billion in 1987. About $400 million is being drawn from small low-income debtors, including $200 million from sub-Saharan Africa, that is, from the countries least able to pay. The World Bank* was also close to being a net recipient of Third World repayments in 1986.

TABLE 4

Capital Flight and Gross Capital Inflows in Selected Countries, 1979-82

Country	Capital flight ($ billons)a	Gross capital inflows ($ billions)b	Capital flight as a % of gross capital inflows
Venezuela	22.0	16.1	136.6
Argentina	19.2	29.5	65.1
Mexico	26.5	55.4	47.8
Uruguay	0.6	2.2	27.3
Portugal	1.8	8.6	20.9
Brazil	3.5	43.9	8.0
Turkey	0.4	7.9	5.1
Korea	0.	18.7	4.8

a. Data are estimates. Capital flight is defined as the sum of gross capital inflows and the current account deficit, less increases in official foreign reserves. For some countries (notably Argentina and Venezuela), the estimate may overstate capital flight to the extent that unreported imports and normal portfolio investments abroad are included.

b. Defined as the sum of changes in gross foreign debt (public and private) and not foreign direct investment.

Source: World Bank data.
World Development Report 1985, page 64.

* Generally, in this report, the term "World Bank" refers to the **International Bank for Reconstruction and Development** (IBRD) and not to its affiliates, the **International Development Association** (IDA) or the **International Financial Corporation** (IFC). The three together are known as the World Bank Group. A description of the functions of these organizations, together with those of the regional development banks, can be found in Appendix A of this report.