UNCLASSIFIED

FRAME ECONOMIC

FM ROME 031100Z NOV 81

TO IMMEDIATE FCO
TELEGRAM NO. 449 OF 03 N

SAVING INFO ALL EC POSTS, UKREP BRUSSELS, UKDEL OECD PARIS, WASHINTON, MILAN, HOLY SEE, FLORENCE, NAPLES AND GENOA.

MY TELEGRAM NO. SAVING 25: MONTHLY ECONOMIC REPORT FOR ITALY.

GENERAL

1. THE GOVERNMENT'S GRIP ON ECONOMIC POLICY IS AS UNSURE AS EVER. BARELY THREE WEEKS AFTER AGREEMENT IN THE COUNCIL OF MINISTERS ON THE SHAPE OF THE 1982 BUDGET AND FINANCE BILL, THE PRIME MINISTER WAS OBLIGED TO SUMMON ON OCTOBER 14 A MEETING OF THE SECRETARIES OF THE PARTIES OF THE GOVERNMENT COALITION TO SECURE THEIR CONTINUING ENDORSEMENT OF HIS ECONOMIC STRATEGY. HE GOT THIS SUPPORT BUT MEANWHILE NEGOTIATIONS BETWEEN THE UNIONS AND EMPLOYERS ON THE REDUCTION OF THE COST OF LABOUR WERE SUSPENDED ON 14 OCTOBER AFTER A FAILURE TO FIND ANY COMMON GROUND FOR AGREEMENT. THE UNIONS SUBSEQUENTLY CALLED A FOUR-HOUR NATIONAL STRIKE ON 23 OCTOBER INVOLVING ALL INDUSTRIAL SECTORS, AGRICULTURE AND PARTS OF THE PUBLIC SERVICE. THE AIM WAS TO PUT PRESSURE ON THE EMPLOYERS TO SOFTEN THEIR NEGOTIATING POSITION AND TO SIGNAL THE UNIONS' HARDENING OPPOSITION TO THE GOVERNMENT'S ECONOMIC STRATEGY AND ITS EMPHASIS ON CUTS IN WELFARE SPENDING.

2. AT A MEETING WITH THE UNIONS ON 26 OCTOBER, HOWEVER, SPADOLINI SWEETENED THE ATMOSPHERE BY TELLING THEM HE WAS PREPARED TO JUGGLE WITH THE FIGURES IN FINANCE BILL TO MODIFY THE CUTS FORESEEN IN WELFARE SPENDING, WHILE STILL RESPECTING THE PSBR LIMIT OF 50,000 BILLION LIRE IN 1982: TO HOLD UTILITY TARIFFS AND ADMINISTERED PRICES STEADY FOR THE TIME BEING: AND TO KEEP THEM WITHIN THE 16 PC PLANNED INFLATION CEILING FOR 1982. EMPHASISING THE DRAMATIC NATURE OF THE ECONOMIC SITUATION HE URGED THE UNIONS TO RESUME THE LABOUR COST TALKS WITH THE EMPLOYERS AND MADE SIMILAR EXHORTATIONS TO THE LATTER WHEN HE MET THEM ON 27 OCTOBER. THE UNIONS ARE CURRENTLY DISCUSSING AMONG THEMSELVES A NEW PROPOSAL ON THE SCALA MOBILE (WAGE-INDEXING SYSTEM) WHICH WOULD INVOLVE A SUBSTANTIAL EASING OF TAX RATES IMPOSED ON THE THREE-MONTHLY COST-OF-LIVING INCREASES PAYABLE UNDER THE SYSTEM. IF THEY CAN AGREE ON THE PROPOSAL (AND IT NOW LOOKS DOUBTFUL), IT WILL ALLOW GREATER ROOM FOR MANOEUVRE AND FOR WAGE MODERATION IF THE LABOUR COST TALKS ARE RESUMED. BUT IT IS STILL TOO EARLY TO BE OPTIMISTIC EITHER ABOUT THE UNIONS AGREEING BETWEEN THEMSELVES OR THE OUTCOME OF ANY RESUMED NEGOTIATIONS WITH THE EMPLOYERS.

/3. THE MAIN

3. THE MAIN INDICATORS, ESPECIALLY ON THE EXTERNAL SIDE, CONTINUE TO LOOK BETTER THAN EARLIER IN THE YEAR BECAUSE OF THE CONTINUING EFFECTS OF THE FOREIGN EXCHANGE DEPOSIT SCHEME WITH ITS DIRECT IMPACT ON THE CASH BASIS BALANCE OF PAYMENTS. BUT INDUSTRIAL PRODUCTION, AND, ABOVE ALL, INVESTMENT ARE STILL FALLING: THE LATEST LONGER RANGE BUSINESS SURVEYS LOOK TO A LOWER THAN EXPECTED RATE OF RECOVERY OF INDUSTRIAL ACTIVITY NEXT SPRING, WITH ONLY EXPORTS BUOYANT. THE LIRA HAS STARTED TO WEAKEN AGAIN AGAINST THE DOLLAR (AND STERLING) AND THE INFLATION RATE, HAVING EDGED BELOW 19 PC IN SEPTEMBER, SEEMS LIKELY TO MOVE UP AGAIN. THREE MONTH TREASURY BILL YIELDS ARE A RECORD 21.55 PC. SOME PLANS FOR REVIVING THE HUGE AILING STATE INDUSTRIES ARE STILL UNDER DELIBERATION: BUT THE MOST URGENT PLAN - THAT FOR THE STEEL SECTOR - HAS BEEN APPROVED BY THE APPROPRIATE INTERMINISTERIAL COMMITTEE AND THE UNIONS AND GOES BEFORE PARLIAMENT FOR APPROVAL. AND THE 10-YEAR ENERGY PLAN, ON WHICH ECONOMIC DEVELOPMENT IN THE NEXT DECADE WILL HEAVILY DEPEND, HAS FINALLY RECEIVED THE GO-AHEAD. MEANWHILE THE CONTROLLED PRICE OF PETROL HAS BEEN INCREASED ONCE MORE: THIS IS PRESENTED AS A MEANS TO INCREASE REVENUE TO FINANCE NUCLEAR POWER DEVELOPMENT. CYNICS WILL EXPECT ANY REVENUE GAINS TO BE ABSORBED IN PUBLIC SECTOR CURRENT EXPENDITURE.

4. PRELIMINARY DISCUSSUON OF THE 1982 BUDGET IN PARLIAMENT HAS INCLUDED, AS EXPECTED, CALLS FROM MANY QUARTERS FOR REDUCTION IN THE GOVERNMENT'S PROPOSED SPENDING CUTS AND INCREASES IN THE PROPOSED FUND FOR INDUSTRIAL INVESTEMENT, THUS CALLING INTO QUESTION, ALMOST FROM THE START, THE CEILING OF 50,000 BILLION LIRE FOR THE PSBR FOR 1982 WHICH AT ABOUT 10 PC OF GDP IS ALREADY HIGH. ALTHOUGH OFFICIAL UNEMPLOYMENT FIGURES HAVE SHOWN NO GREAT CHANGE, THERE HAVE BEEN MORE REPORTS OF FIRMS RESORTING TO THE CASSA INTEGRAZIONE (SHORT-TIME WORKING SCHEME) EVEN IN AREAS NORMALLY PROSPEROUS. THE BANK OF ITALY CONTINUES TO MAINTAIN ITS TIGHT GRIP ON MONETARY POLICY. NEVERTHELESS SPADOLINI IS EXPECTED TO CONTINUE TO TRY TO KEEP HIS CENTRAL PROPOSALS FOR ECONOMIC DISCIPLINE IN THE PUBLIC SECTOR INTACT AS THEY PASS THROUGH PARLIAMENT, WHILE REMAINING WILLING TO JUGGLE WITH THE CONSTITUENT PARTS. MOST OBSERVERS ARE PREPARED TO GIVE HIM FULL MARKS FOR TRYING, BUT FEW RATE HIS CHANCES OF SUCCESS HIGH.

BALANCE OF PAYMENTS.

5. THE UNADJUSTED TRADE DEFICIT FOR AUGUST WAS 1,044 BILLION LIRE (£493 MILLION), HIGHER THAN IN THE TWO PRECEDING MONTHS BUT LOWER THAN IN AUGUST LAST YEAR: THE DEFICIT FOR PETROLEUM PRODUCTS WAS 2,230 BILLION LIRE WHILST A SURPLUS OF 1,186 BILLION WAS RECORDED FOR OTHER TRADE. FOR THE THREE MONTHS JUNE-AUGUST THE SURPLUS RECORDED FOR NON-PETROLEUM PRODUCTS WAS 3,652 BILLION LIRE, AGAINST A DEFICIT IN THE SAME PERIOD LAST YEAR OF 293 BILLION. THE IMPROVEMENT IS LARGELY DUE TO INCREASED EXPORTS OF TEXTILES AND CLOTHING AND MECHANICAL ENGINEERING PRODUCTS. THE SEPTEMBER FIGURES, JUST ANNOUNCED, RECORD A MUCH HIGHERDEFICIT OF 2,154 BILLION LIRE, BUT AGAIN TO A HUGE DEFICIT ON PETROLEUM PRODUCTS. THE CUMULATIVE DEFICIT FOR THE FIRST NINE MONTHS OF THE YEAR IS 14,858 BILLION

/ LIRE

LIRE (£6.8 BILLION): THAT FOR PETROLEUM PRODUCTS ALONE EXCEEDS 20,000 BILLION LIRE.

6. THE FOREIGN EXCHANGE DEPOSIT SCHEME AND THE UNFAVOURABLE ECONOMIC SITUATION CONTINUE TO AFFECT IMPORTS, THE ANNUAL RATE OF INCREASE IN VALUE FALLING TO ONLY 11.9 PC IN AUGUST, AGAINST A 28 PC INCREASE IN EXPORTS. CORRESPONDING FIGURES FOR SEPTEMBER SHOWED THE SAME ENCOURAGING TREND, WITH IMPORTS RISING BY 36.5 PC BUT EXPORTS BY 58.4 PC. EXPORTS CONTINUE THEIR UPWARD TREND, THE YEAR-ON-YEAR INCREASE BEING 22.4 PC FOR THE FIRST EIGHT MONTHS OF THE YEAR AND NO LESS THAN 39 PC FOR THE THREE-MONTH PERIOD JUNE-AU7'5: CORRESPONSING FIGURES FOR THE RATE OF INCREASE IN IMPBRTS OVER THE SAME PERIODS WERE 20.6 PC AND 22 PC RESPECTIVELY.

7. THE DEFINITIVE CASH BASIS CURRENT ACCOUNT FIGURES FOR MAY SHOW A DIFICIT OF 1,691.8 BILLION LIRE (£799.5 MILLION), WHILST PROVISIONAL FIGURES FOR JUNE SHOW A SURPLUS OF 337.7 BILLION (£159.6 MILLION). THE CUMULATIVE TOTAL DEFICIT FOR THE FIRST SIX MONTHS OF THE YEAR THUS DECREASED SLIGHTLY TO 7,189.3 BILLION LIRE (£3.4 BILLION).

8. PROVISIONAL OVERALL BALANCE OF PAYMENTS FIGURES (CASH BASIS) FOR SEPTEMBER SHOW A SURPLUSSOF 942 BILLION LIRE (£445 MILLION), MAINLY DUE TO RECEIPTS FROM TOURISM AND MEDIUM-TERM LOANS AND TO THE EFFECTS OF THE FOREIGN EXCHANGE DEPOSIT SCHEME. THIS BRINGS THE CUMULATIVE SURPLUS FOR THE FIRST 9 MONTHS OF THE YEAR TO 1,491 BILLION LIRE (£705 MILLION).

INDUSTRIAL PRODUCTION

9. AUGUST IS THE MAIN HOLIDAY MONTH IN ITALY AND MOST INDUSTRIES CLOSE DOWN FOR PART OF THE MONTH. THIS DISTORTS THE MONTHLY STATISTICS FOR INDUSTRIAL PRODUCTION AND THE AUGUST FIGURES CANNOT BE CONSIDERED INDICATIVE OF TRENDS. THIS YEAR THE DISTORTION HAS PROBABLY BEEN MORE MARKED THAN USUAL BECAUSE MANY LARGE FIRMS AFFECTED BY THE ECONOMIC SITUATION CLOSED DOWN FOR A LONGER PERIOD THAN NORMAL. IN FACT, THE UNADJUSTED INDEX FOR AUGUST (1970 = 100) FELL TO 65.6 COMPARED WITH 69.1 IN AUGUST LAST YEAR, A FALL OF 5.1 PC, IN SHARP CONTRAST TO THE TREND FOR A SLOW IMPROVEMENT WHICH HAD BECOME APPARENT IN THE PRECEDING MONTHS. THE SEASONALLY ADJUSTED INDEX STOOD AT 117.3, A FALL OF OVER 15 PC COMPARED WITH JULY AND OF 3 PC COMPARED WITH AUGUST LAST YEAR.

OFFICIAL RESERVES

10. THE STATE OF THE RESERVES REMAINS STABLE. AT THE END OF AUGUST CONVERTIBLE RESERVES STOOD AT 8,972.2 MILLION DOLLARS WHILST TOTAL RESERVES, INCLUDING GOLD, AMOUNTED TO 49,062.5 MILLION DOLLARS. FOREIGN INDEBTEDNESS OF THE BANKING SYSTEM REMAINS WORRYINGLY HIGH, THOUGH IT DECREASED MARGINALLY IN AUGUST TO 15,658 BILLION LIRE (£7.4 BILLION) COMPARED WITH 16,233 BILLION IN JULY, 16,279 BILLION IN JUNE, AND 16,296 (A RECORD) IN MAY.

THE LIRA

11. AFTER THE REALIGNMENT OF EMS CURRENCIES AND THE DOWNWARD ADJUSTMENT OF THE LIRA DECIDED ON 04 OCTOBER, FOR THE FIRST HALF OF THE MONTH THE PARITY OF THE LIRA AGAINST THE DOLLAR REMAINED STABLE AS THE LATTER WEAKENED FOLLOWING THE STRENGTHENING OF THE MARK. THEREAFTER EXCHANGE RATES WERE INFLUENCED BY POLITICAL EVENTS

/ (IN PARTICULAR

(IN PARTICULAR BY RUMOURS OF A POSSIBLE SOVIET INVASION OF POLAND) AND THE TREND WAS REVERSED: FROM A RECORD HIGH OF 533.50 LIRE ON 16 OCTOBER THE MARK FELL TO UNDER 529 LIRE ON 27 OCTOBER, WHILST THE DOLLAR ROSE FROM 1176 LIRE TO 1225.25 LIRE. PARITY AGAINST STERLING FLUCTUATED: ON 09 OCTOBER IT WAS 2236.10 LIRE = £1 BUT IS NOW ONCE MORE AROUND THE LEVELS OF LAST MONTH AT 2116.30 LIRE = £1. THE WEIGHTED AVERAGE OF THE LIRE AGAINST EC CURRENCIES IS 55.87 PC.

INTEREST RATES AND MONEY SUPPLY

12. AT THEIR MEETING IN EARLY OCTOBER THE BANKERS DECIDED AGAINST REDUCTIONS IN INTEREST RATES FOR THE TIME BEING. AVERAGE RATES PRACTISED BY BANKS ARE NOW AROUND 24-27 PC AND THE PRIME RATE REMAINS 22.5 PC. THERE HAS BEEN NO CHANGE IN THE BANK RATE SINCE MARCH AND IT IS STILL 19 PC.

13. IN MID-OCTOBER THE FIRST FORTNIGHTLY AUCTION OF TREASURY BILLS WAS HELD. THREE-MONTH BILLS FOR A TOTAL OF 2,500 BILLION LIRE WERE OFFERED BY ONLY 1,555.365 BILLION LIRE OF THESE WERE TAKEN UP. THE BANK OF ITALY DID NOT TAKE ANY, SO BILLS FOR OVER 944 BILLION LIRE REMAINED UNSOLD. CONSEQUENTLY THE RATE ROSE SLIGHTLY TO 20.79 PC. TREASURY BILLS FOR A FURTHER 20,500 BILLION LIRE (£9.7 BILLION) WERE OFFERED FOR AUCTION AT THE END OF THE MONTH, OF WHICH 2,000 BILLION LIRE WERE BOUGHT BY THE BANK OF ITALY AND 1,778 BILLION LIRE REMAINED UNSOLD. RATES WERE 21.55 PC FOR 3 MONTH BILLS (AGAINST 19.78 IN SEPTEMBER AND 20.79 PC IN MID-OCTOBER), 21.36 PC FOR 6 MONTH BILLS (20.57 PC IN SEPTEMBER) AND 19.98 PC (UNCHANGED) FOR 12 MONTH BILLS. TWO-YEAR TREASURY CREDIT CERTIFICATES FOR A TOTAL OF 1,000 BILLION LIRE WERE ALSO ON OFFER AT THE END OF THE MONTH, WITH AN ANNUAL RATE FOR THE FIRST SIX MONTHS OF ABOUT 22 PC. (RATES FOR THESE CERTIFICATES ARE INDEX-LINKED).

14. THE HIGH YIELDS OFFERED BY TREASURY BILLS HAS LED TO A DECLINE IN THE BANK DEPOSITS, WHICH OFFER MUCH LOWER INTEREST RATES (AROUND 14-15 PC). IN THE FIRST SIX MONTHS OF 1981 THE VALUE OF DEPOSITS FELL BY 8,100 BILLION LIRE (£3.8 BILLION).

15. MONETARY BASE INCREASED IN JUNE TO 100,882.3 BILLION LIRE (£47.7 BILLION), COMPARED WITH 99,906.5 BILLION IN MAY AND 99,930.5 BILLION IN APRIL. LATEST FIGURES FOR DCE AND M2 ARE THOSE FOR MARCH, WHEN DCE WAS 21.2 PC, A RECORD FOR THE YEAR, AND THE RATE OF INCREASE OF M2 WAS 12.8 PC DOWN FROM OVER 13 PC FOR THE PRECEDING 2 MONTHS.

INFLATION

16. THE CONSUMER PRICE INDEX (1980 = 100) ROSE TO 121.6 IN SEPTEMBER, AN INCREASE OF ONLY 1.4 PC OVER THE AUGUST FIGURE AND OF 12.5 PC FOR THE FIRST NINE MONTHS OF 1981 COMPARED WITH 15.1 PC FOR THE SAME PERIOD IN 1980. THE ANNUAL RATE OF INFLATION IS 18.3 PC, THE LOWEST REGISTERED SINCE OCTOBER 1979.

17. AS SEPTEMBER IS NORMALLY A MONTH IN WHICH CONSUMER PRICES RISE FAIRLY SHARPLY (MONTHLY RATES OF INCREASE IN SEPTEMBER 1980 AND SEPTEMBER 1979 WERE RESPECTIVELY 2.1 PC AND 2.5 PC), THIS RELATIVELY MODEST INCREASE CAUSED SOME JUBILATION AND RAISED HOPES OF ACHIEVING A CONTINUING DECELERATION IN THE RATE OF INFLATION. HOWEVER, PRELIMINARY FIGURES FROM TURIN (+2.2 PC) AND MILAN (+1 PC) INDICATE

/ THAT THIS

THAT THIS TREND IS UNLIKELY TO BE CONFIRMED IN OCTOBER: INDEED, IT SEEMS LIKELY THAT THE OCTOBER FIGURE WILL RECORD THE HIGHEST MONTHLY INCREASE THIS YEAR. AMONG OTHER ITEMS, THERE HAVE BEEN INCREASES THIS MONTH IN ADDITION TO PETROL PRICES (PARA 3 ABOVE) IN CIGARETTE PRICES (CONTROLLED), MEAT PRICES, POSTAL CHARGES, CLOTHING PRICES (AS NEW WINTER FASHIONS COME ONTO THE MARKET) AND THE APPLICATION OF RENT INCREASES POSTPONED EARLIER. OPINIONS AS TO THE EFFECTIVENESS OF THE VOLUNTARY STANDSTILL OF PRICES OF SOME FOODSTUFFS (DUE TO EXPIRE IN NOVEMBER) DIFFER WIDELY AND THERE IS SOME UNCERTAINTY OVER THE USEFULNESS OF TRYING TO PROLONG IT FOR A FURTHER TWO MONTHS.

18. THE WHOLESALE PRICE INDEX STOOD AT 118.8, AND INCREASE OF 1.2 PC OVER THE JULY FIGURE.

EMPLOYMENT AND LABOUR COSTS

19. THE ANNUAL RATE OF INCREASE IN CONTRACTUAL WAGES FOR INDUSTRY WAS 24.1 PC IN AUGUST, COMPARED WITH 24.3 PC IN JULY. THE RATE OF INCREASE DUE SOLELY TO THE AUTOMATIC WAGE INDEX SYSTEM ROSE SLIGHTLY TO 17.2 PC FOLLOWING THE TEN-POINT INCREASE IN WAGE INDEX PAYMENTS WHICH MATURED THAT MONTH.

20. LATEST FIGURES FOR UNEMPLOYMENT ARE THOSE GIVEN IN LAST MONTH'S REPORT (8.8 PC OF LABOUR FORCE).

MILAN STOCK EXCHANGE

21. DURING OCTOBER THE INDEX FELL SHRPLY, REFLECTING A GENERAL LACK OF CONFIDENCE WHICH WAS FURTHER UNDERMINED IN THE MIDDLE OF THE MONTH BY RUMOURS OF A BANK CRASH IN TUSCANY. OFT-PROMISED GOVERNMENT MEASURES TO ENCOURAGE NEW INVESTMENT WERE STILL NOT FORTHCOMING AND THERE WAS IN ANY CASE A GENERAL FEELING THAT THESE WOULD BE TOO LATE TO HAVE MUCH EFFECT IN PRESENT CIRCUMSTANCES. BY 20 OCTOBER THE INDEX STOOD AT 60.36, ONLY 0.15 PC MORE THAN THE JULY LOW. THEREAFTER IT RECOVERED SLIGHTLY AND ON 27 OCTOBER STOOD AT 64.38, WHICH IS 6.82 PC HIGHER THAN IN JULY BUT STILL OVER 9 PC LOWER THAN A YEAR AGO.

22. FCO PLEASE ADVANCE TO GARSIDE (TREASURY) AND OSBORNE (WFO)

23. FCO PLEASE PASS SAVING TO: ALL EC POSTS, UKREP BRUSSELS, UKDEL OECD PARIS, WASHINGTON.

ARCULUS

[ADVANCED AND REPEATED AS REQUESTED]

FRAME ECONOMIC
ECD(I)

With the compliments of

WESTERN EUROPEAN DEPARTMENT

**FOREIGN AND COMMONWEALTH OFFICE,
LONDON, SW1A 2AH**

012

- Italy

DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 6401
SWITCHBOARD 01-212 7676

FROM THE
MINISTER OF STATE
FOR INDUSTRY AND
INFORMATION TECHNOLOGY

KENNETH BAKER MP

(4)

The Rt Hon the Lord Carrington
KCMG MC
Secretary of State for Foreign
Commonwealth Affairs
Downing Street
WHITEHALL SW1A 2AL

Prime Minister

3 November 1981

Dear Peter,

Last week I was in Rome for 2 days with a group of British businessmen. The purpose was to re-confirm our commitment to the Anglo Italian space programme and to search out some new business in the telecommunications area and to promote Prestel.

You may find it interesting in view of the forthcoming visit of the Italian Prime Minister to have my political impressions from this short visit. The Italian officials and ministers (although they are birds of passage) whom I met went out of their way to stress that they were good Europeans. They are highly suspicious of the Japanese and look at inward investment in the UK, which I am encouraging in the service industries, as a Trojan horse. They spoke constantly of the need to find a European answer. They clearly see their membership of the Community as a political bulwark against disintegration and terrorism.

They certainly follow their own advice. They intend to ensure that the contract for the Italian/Libyan submarine cable, which cannot be made in Italy, will be placed in Europe. This effectively excludes the Americans and the Japanese and leaves our own STC very well placed. They will also want a European solution to the new short fibre optic cable between Italy and Sicily which is a project that we are encouraging.

They have a very robust policy towards 'directed' public purchasing.

M15/M15ABC

They also seemed concerned at the Franco-German grouping in the EEC. This was the main reason behind them joining with us to build L-SAT (they have a third share with us costing about £77m) which is the very advanced telecoms/TV satellite which will be launched in 1986. We want to do this as BAe and Marconi will be making it. This keeps us in the space industry and capable of launching our own satellite for commercial use. I was told that considerable pressure had been exerted by the French and Germans for them to pull out, but this would have given them a very minor role.

They are very keen to continue this cooperative space programme which is the biggest area of industrial cooperation between our two countries.

I am copying this to the Prime Minister and John Biffen.

Kenneth

KENNETH BAKER

M15ABD