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## German exports: Engineers to the fore

Intereconomics

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are still negotiating on mutual concessions to be made and are still postponing negotiations on a common external tariff. Between 1961 and 1966, trade between MCCA states has more than doubled and trade with third countries rose 20 per cent over the same period, whereas ALALC members' trade has not expanded nearly as much.

The economic and social differences between countries are much less in the MCCA than in ALALC, in which there are, on the one hand, certain small countries with a relatively low degree of development (Bolivia, Ecuador, Paraguay), who want their products to be free of all tariffs, and, on the other, large countries which are relatively developed industrially (Argentina, Brazil, Mexico), which are rather sceptical about the idea of a Common Market. Finally, the countries with too small a domestic market form another group (Chile, Colombia, Peru, Venezuela) and these would really prefer to create their own "Common Market" within the joint market.

Existing discrepancies in the economic structure, level of production, purchasing power, monetary and taxation systems and the insufficient transport networks will be difficult and slow to remove. li.

### **German Exports**

## **Engineers to the Fore**

The largest share of West Germany's exports is composed of deliveries of investment goods affecting the growth of the domestic economy. Apart from quality and prices, these exports depend to a great extent upon opportunities for financing. It is not rare for the German export trade to complain about what, in its eyes, is insufficient state support vis-à-vis international practice. Orders have often had to be abandoned because it was impossible to accept the conditions imposed by clients.

At a conference in Bad Godesberg, the Verein Beratender Ingenieure (Association of Consultant Engineers) recently put forward similar arguments. The Association pointed out that only 5-10 per cent of the total activity of consultant engineers is performed abroad. The situation is quite different in Britain, where the ratio is 100 : 75. In the opinion of the Association, one reason for this lack of work abroad for engineers is that the export of services by consulting engineers is not covered by HERMES under the state export credit insurance scheme. For this reason, the German state should consider whether it should, in future, engage in guarantees for consulting, since consultancy abroad by German engineers brings in its wake export orders for the economy.

The small scale of foreign business for consulting engineers is also due to the fact that the medium-sized and larger firms in West Germany anyhow have their own engineering divisions which prepare potential orders in their own departments. For this special activity firms do not get cover from the Federal Government. In this context, the proposal

made by the Engineers' Association has certain things in its favour, for it would open up the way for sensible supplementation of, and/or co-operation with, independent consulting engineers and industry. Even though export orders do not follow directly upon such consultancy work, the greater volume of know-how transmitted to developing countries would be, in itself, a sensible aid to their development.

Finally, just because consulting engineers would be confronted with new technical problems in their activity abroad, this would promote technological and economic progress in West Germany. schi

### **Exhibitions**

## **Poland in Hamburg**

The first Polish Trade Exhibition is held from 30th October to 5th November in Hamburg; it is the largest function of this type to have been held on German territory. The highlight is the "Made in Poland" show, which gives an overall perspective of what exports Poland can offer.

With this exhibition, Poland has taken one more promising step towards gaining entry into the markets of Western industrial states. Poland already showed itself more progressive than the other COMECON countries when, in order to increase sales opportunities for its consumer goods, it decided to go in for advertising and commissioned a German agency to advertise the country's products. There are still considerable obstacles in the way of expanding Poland's trade. The main reason for the limited trade is less Poland's lack of desire to export than its extremely unilateral export structure. For 90 per cent of deliveries to West Germany are still raw materials and foodstuffs and last year the total value of these was DM 500 million. But the EEC arrangements make it very difficult to import such goods. Thus Poland is concerned in Hamburg to demonstrate the broad diversification of goods on offer and to investigate further sales opportunities. Information can be collected about the German market, the entrepreneurs' and consumers' wishes investigated with regard to price and quality and indications for the future orientation of export production taken home. In addition, "Made in Poland" cannot only give information to German consumers and entrepreneurs, but may point out the opportunities for increasing imports and greater co-operation. The exhibition will also allow Germans to find out about markets in Poland. With this double function, the trade exhibition will fulfill its basic target of expanding trade between the two countries. Only if both partners have greater export opportunities can trade be expanded on a permanent basis.

Without a doubt, the Polish Trade Exhibition is more than an experiment. An increasing number of Eastern bloc countries are interested in expanding their exports to the promising Western markets. They will soon have to follow Poland's example, regardless of politics. ke.