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## An event of world-wide attraction

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# GERMAN PRISM

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## Hanover-Fair 1968

### An Event of World-wide Attraction

Interview with Prof. Dr Matthias Schmitt, AEG-Telefunken, Frankfurt/Main

**This year's Hanover Fair will be held from April 26 to May 5. As a display of technical achievement this fair has attracted world-wide attention and gained general recognition among the growing number of similar events. The number of German and foreign exhibitors, many of them with names known the world over, as well as the still rising flood of visitors are evidence of the Hanover Fair's prominent position, particularly in the sphere of investment goods. In order to learn how this event appears from the point of view of a large-scale enterprise we had a talk with Professor Dr Matthias Schmitt of the Allgemeine Elektrizitätsgesellschaft AEG-TELEFUNKEN about the significance of this year's fair and about some special aspects of fair policy.**

**QUESTION:** As far as your firm is concerned, is participation in the Hanover Fair of 1968 indispensable because its tradition is such that "one simply has to be there", or are you taking part with any special objectives in mind?

**ANSWER:** The Hanover Fair, which this year is taking place for the twenty-second time, has grown in the course of its development into an event of world-wide attraction. Attempts have been made to characterise it by using such superlatives as "the World's Meeting Point", "Festival of Engineering", and "World Exchange of Progress". With a gross exhibition area of more than 600,000 square metres, with over 5,200 exhibitors and about 650 additional German and foreign firms being represented Hanover is justly considered to be the most important fair of the world, particularly for investment goods.

Among the various groups of exhibitors the electrical industry with just under 1,400 exhibitors occupies second place. For a leading concern in this field it is essential to be worthily represented at such a display of achievements as is the Hanover Fair. Our special purpose is to convey to our German and foreign visitors a comprehensive impression of our advanced level of technical development and of the great range of our firm's capabilities, whose production program comprises nuclear power stations, processing controls, long-distance traffic installations and integrated switch gear.

**QUESTION:** Fairs are in the main intended for the interested specialist and as such provide opportunities to sell by means of samples to buyers requiring the goods either for resale or for their own purposes. Are you of the opinion that the Hanover Fair is

adequately organised to meet the selling aspect?

**ANSWER:** As far as the electrical industry is concerned, my answer to your question is on the whole in the affirmative. It is, however, necessary to distinguish between the various sizes of firms. Smaller firms (roughly three quarters of all exhibitors in Hanover employ fewer than 500 people) and highly specialised suppliers manage to obtain orders which in proportion to their total turnover are not inconsiderable. Large firms, on the other hand, have at their disposal an extensive sales organisation at home as well as in other European countries and overseas. These firms tend to lay the stress on establishing new business contacts, on intensifying existing ones and on providing general information.

**QUESTION:** Does a fair with its traditional halls and its open space

still meet the requirements of the potential buyer who wishes to obtain a general view of the market as quickly as possible?

**ANSWER:** To enable potential buyers to inform themselves quickly and at the same time thoroughly of what the market has to offer the various branches must be strictly separated. A seriously interested visitor, whose inspection has been facilitated in this manner, will be able to form relatively quickly an impression of the most up-to-date techniques available and of the latest products and processes in his respective field. At the same time he will gather complete information about related areas of work, as this is an international fair representing different branches and their peak performances. What finally makes for closer business relations is the lively contact between exhibiting firms—within their own branch as well as from one branch to another.

**QUESTION:** In your own display which kinds of products will you concentrate on?

**ANSWER:** The wide range of the production program of AEG-TELE-

FUNKEN demands that the products on display are assembled into groups which are self-contained, appeal to the customer and which convey an impressive picture of the firm's technical potentialities. Items figuring notably on our exhibition program for 1968 are: Installations and equipment in the field of energy production and distribution; motors, low-tension switch gear, measuring and regulation techniques, illustrated by a display of components; further: transmitting and receiving techniques as well as directional radio and carrier-frequency techniques. All sections will have one policy in common: to stress again and again the firm's readiness and ability to make essential contributions to the solution of customers' problems as well as to the rationalisation and automation of production processes.

**QUESTION:** The Hanover Fair has repeatedly been called the business barometer of the Federal Republic. A rise is expected for this spring. Is the fair likely to confirm this expectation?

**ANSWER:** When the Federal Minister of Economics, Schiller,

opened last year's Hanover Fair he described it as "the fair of anticipated recovery". He called upon entrepreneurs to overcome their mood of depression and to regain confidence for their part, seeing that the state for its part had given fresh impulses to the economy. But it was not until the autumn of 1967 that the forces making for greater buoyancy in the economy were slowly and hesitatingly beginning to gain the upper hand. Industry has witnessed appreciable increases in orders and turnover during the fourth quarter of 1967, when output rose by leaps and bounds. This upward trend continued into the first few months of 1968. At the same time the impression has been gaining ground that the reversal of the economic trend in the Federal Republic is no longer solely due to economic intervention by the Federal Government but also to the forces released by the economy itself. What is therefore expected of the Hanover Fair of 1968 is an answer to the question of whether the way is now clear to an accelerated expansion supported by the economy's own strength.

## FOREIGN TRADE

# The Balance of Goods and Services

by Helmut Stodieck, Hamburg

**F**or the most part of 1967, imports and exports developed in opposite directions, with the result that the trade balance showed a record surplus of DM 16,900 million, that is twice the surplus of 1966. It was mainly owing to this unusually large surplus that the contribution of the external trade (the balance of goods and services within the framework of the national income accounting) rose in 1967 to DM 16,200 million, i.e. to a figure which is even two and a half times that of the preceding year (DM 6,200 million). As a result, the contribution of the external trade to the gross national product increased from 1.4 per cent in 1966 to 3.4 per cent—a figure which has not been recorded since 1959. Measured against the targets set by the Federal Government, which recommends a contribution of one per cent as being desirable in the interests of a balanced economy, last

year's percentage is decidedly too high, for it means that the population of the Federal Republic used up 3.4 per cent less of the national product than was available. On the other hand, this imbalance led to no corresponding net increase in the currency reserves because it was to a great extent offset by exports of money and capital. From the point of view of the economic trend the anticyclical effect of the contribution of the external trade was particularly remarkable. There is no doubt that without the big expansion in foreign demand there would have been a falling off, not only in the actual, but also in the nominal national product, which in 1967 had been stagnating. Towards the end of last year, the trade balance was beginning to show signs of a changing trend, for, while exports continued to rise, imports increased at a clearly accelerated pace. If allowance