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1969: Satisfactory growth rate without exaggeration

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stuffs from EEC-countries have reached a value of DM 6.4 billion and thus amount to 40 per cent of agrarian imports.

Last year, however, German agricultural imports developed quite differently. Thus e.g. 8 per cent more grain (2.4 mn tons of maize, 1.8 mn tons of wheat, 2.1 mn tons of oil cake) have been imported than in the preceding year. The most important item in terms of value was coffee to the tune of DM 1,059 mn. Important is also the import of non-processed tobacco to the value of DM 788 mn. Two thirds of the voluminous imports of fresh fruits valued at DM 1,028 mn came from the EEC. Now as before meat imports are quite considerable. They reached a value of DM 1,080 mn. In contrast to agrarian imports, German exports in this field expanded strongly. After a vigorous growth lasting for years it reached a volume of DM 2.7 billion, i.e. a further increase by 20 per cent. At present its share in total German exports amounts to 3 per cent.

1969: Satisfactory Growth Rate without Exaggeration

The on a whole superior economic results in 1968 are, so to speak, the crop of a seed sown in 1967 by a determined and purposeful economic policy. The data registering the

success must, however, be judged against the background of the preceding "economic drought" in 1967, as e.g. the growth rate of the GNP in real terms of approx. 6.9 per cent after no increase at all in the previous year. The small price increase rate with an annual average of 1.5 per cent (as measured by the cost of living price index) was also a late result of the recession. Obviously the repeated increase of the external contribution by DM 2 billion proved to be a permanent consequence of the recession: Exports and imports of goods and services registered a favourable balance of DM 18 billion. The continuing trend towards the formation of high surpluses in the field of foreign trade and payments—in view of the increasing utilisation of capacities and manpower at home—could only be explained with a lasting improvement of the German economy's international competitiveness. The development of costs and prices diverging between the Federal Republic and its most important trade partners is supporting this view.

The "quasi" revaluation of the D-Mark in November by changing the tax relief or burden, respectively, of export or import goods, respectively, will have dampening effects on economic growth and price developments. The loss of production gains together with the effects of the French and British "quasi" devaluation should, within the period of one year, amount to a good 1 per cent of the GNP growth rate in real terms (measured by prices of 1954). Starting from the assumption that without the quasi-revaluation the

GNP in real terms would have grown by 4 to 5 per cent, a rather moderate growth rate would have to be anticipated under the changed conditions. However, Government promotion measures, above all structural aids and the renunciation of originally planned restrictive measures are to support the favourable economic trend.

Under these circumstances the Hamburg Institute for International Economics expects a cyclical development for 1969 that will enable a satisfactory growth rate without the risk of exaggerations. If anyway an increase of the consumer-price level by 2 per cent annually has to be anticipated, this can be explained to a large extent by the trend of food prices and rents. The external contribution with DM 13 billion will remain a relatively high one.

Demand for Mineral Oil Surpasses 100 mn tons

In 1968 the Federal Republic's demand for mineral oil surpassed the level of 100 mn tons for the first time. It amounted to 109.6 mn tons, i.e. 11.9 mn tons or about 12 per cent more than in the preceding year.

According to a compilation made by Esso-AG in 1968, the domestic market consumed 90.5 mn tons of mineral oil products (1967: 81.5). In addition, there were the refineries' own consumption of 6.1 (5.2) mn tons; 1.4 (1.1) mn tons demand of the armed forces; 3.8 (3.4) mn tons supplies for large-scale bunkering, and 7.8 (6.5) mn tons of exports.

In 1968 consumption of light fuel oils registered the highest growth rate. Vis-à-vis the preceding year it rose by about 13 per cent to 31.5 mn tons. The same year consumption of heavy fuel oil increased by 7 per cent to 21.4 mn tons. The consumption of gasoline in 1968 reached a growth rate of only little more than 4 per cent as compared with the previous year's rate of 5.4 per cent, and climbed from 12.2 to 12.7 mn tons.

A volume of 83.5 mn tons of crude oil, i.e. 16 per cent more than in 1967, was imported to cover the demand. Libya's share rose again from 31 to almost 43 per cent. Supplies from the Middle East (Persian Gulf) dropped only from 42 to 39 per cent in spite of the still necessary transport around the Cape. Crude oil supplied by Venezuela and the United States amounted to approx. 4 per cent (vis-à-vis hardly 6 per cent), and the USSR covered about 5 per cent of the demand. Imports of finished oil products rose by 6 per cent from 19.4 mn tons to 20.6 mn tons in 1968.

The same year the West German stocks of crude oil and finished products continued growing by more than 10 per cent from 13.2 to 14.6 mn tons. Domestic production amounted to almost 8 mn tons in 1968.