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## Delayed effects of security in measures in foreign trade

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# GERMAN PRISM

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## **International Bourse of Tourism in Berlin**

The "3rd International Bourse of Tourism" taking place in Berlin from March 15 to 22 belongs to the important international fairs on German soil. This event representing a marvellous-

ly expanding industry with annual turnovers of about DM 60 billion, after a few years only has become the acknowledged meeting place of the tourist industry in Europe and overseas. Experts from about 50 countries of all continents are expected to visit this approaching "Fair of Tourism".

This year's Bourse of Tourism addresses itself to all branches and vocations within the worldwide travel industry: travel organisers, travel agencies, tourist organisations and authorities working in this field, airlines and shipping companies, railway administrations, planning and financing offices, hotels and restaurants as well as publishers and journalists interested in the subject. This Bourse consists of an exhibition set up in the buildings at the Berlin radio-tower and a congress that will meet in Berlin's congress hall from March 18 to 21. At this congress topical problems of international tourism will be discussed, a.o. marketing in tourism and the development of tourism in the Third World.

## **Government Acti- vities in the Field of Export Insurance**

In 1968 the Federal Government has given about 32,000 export guarantees and securities with an insured sum of DM 8.8 billion for the covering of risks connected with export

transactions and for financial credits in favour of German exports. Approx. 80 p.c. of these securities and guarantees favoured—as already in the past—trade transactions with developing countries. In the majority of cases, above all with long-term exports of capital goods, the coverage by the Federal Government is a prerequisite to the financing and thus the conclusion of business transactions. The Government's authorisation for the granting of coverage for exports to the tune of DM 22 billion, as fixed by the Budget Law, was fully employed with DM 20.2 billion at the end of 1968.

The amicable cooperation and exchange of information with other governments have been in-

tensified within international bodies—above all EEC and OECD—as well as in bilateral discussions. Consultations with British and French authorities in 1968 showed that the Federal Government's endeavours for fair competition based on quality and price is being supported by the other governments.

## **Delayed Effects of Security Measures in Foreign Trade**

The German foreign trade surplus for the whole of 1968 amounted to DM 18.4 billion. Imports increased by 15.7 p.c., exports by 14.4 p.c. When thus the net result of the trade

balance again surpassed the previous year's figure by nearly DM 1.5 billion, during the last months two special factors working in the same direction contributed to this trend. Before the security measures in the field of foreign trade had been introduced, speculation for a DM-revaluation caused foreign customers to place their orders earlier. Just the other way round imports for the same reason rose less than would have corresponded with domestic developments. After the "substitute revaluation" exporters made use of the deadline date of December 23, 1968, in order to wind up duty-free as many old export contracts as possible. Thus at first the very opposite of the development aimed at with the quasi-revaluation happened.

In the last months prices in foreign trade have been increasing more or less, and thus sales prices of export goods as well as purchase prices of imports in December, 1968, were still only slightly below the previous year's level (more recent data are not yet available). Therefore, vis-à-vis September mainly import prices have been rising (+2.6 p.c.). This, however, was above all caused by the seasonal price increase of agricultural products by 7 p.c. compared with this year's lowest level in September. The index of export prices, that refers almost exclusively to industrial products, in December only registered a vigorous increase (by 0.9 p.c.), effected mainly by the newly introduced export tax.

Including November 1968 (newer data not yet available), industry picked up a considerable volume of export orders. This applies above all

to the capital goods industries which provide more than 50 p.c. of industrial exports. Orders in hand doubtlessly decreased towards the end of 1968, because exports were effected before their due date. According to observations made by The Hamburg Institute for International Economics a reaction of deliveries effected before their due date—and adjusted for seasonal variation—will be registered in the form of lower export figures in the first months of 1969. Altogether, the situation as regards foreign trade transactions is obviously still so favourable that for this reason alone security measures in the field of foreign trade will effect exports with some delay only.

### **German Industry Profiting from the European Development Fund**

German industry has continued increasing its share in orders given by the European Development Fund. According to an interim balance sheet of the 2nd European Development

Fund, on Dec. 31, 1968, the German share in orders amounted to a total of 22.04 p.c. vis-à-vis 19.88 p.c. at the end of 1967 and 6.78 p.c. within the framework of the 1st Development Fund. Up to the end of 1968 total orders wound up amounted to \$ 213.366 mn. France was leading by a wide margin with \$ 90.700 mn (42.51 p.c.), followed by the Federal Republic of Germany with \$ 47.016 mn (22.04 p.c.). Then come the associated countries and overseas areas (16.35 p.c.), Belgium (9.27 p.c.), Italy (6.34 p.c.), the Netherlands (2.92 p.c.), Luxembourg (0.40 p.c.) and third countries (0.17 p.c.).

With building performances the German share reached \$ 29.842 mn or 22.12 p.c., with supplies \$ 5.328 mn or 20.42 p.c. The share of studies and technical controls amounted to \$ 11.846 mn (22.62 p.c.). The German share in building activities has grown most strongly, in connection with which the German-French working group did particularly well.

### **During 12 Years 14,000 Stipendiaries from Developing Countries**

During the last 12 years about 14,000 stipendiaries from developing countries have been supported by the Federal Government within the scope of its training- and refresher pro-

grammes. These experts and management personnel have already completed a practical or scientific vocational training in their home countries. In the Federal Republic they are offered the opportunity of specialising in their branch of study by theoretical and practical training in enterprises and administrations. 8,000 of these trainees came from Africa and some South-European countries, 3,800 from Asia and the Middle East and 2,000 from Latin America.

In 1968 alone 2,400 experts and management personnel from more than 80 developing countries have been promoted in their vocational continuation education with funds supplied by the Federal Government. The continuation training of 50 p.c. of the young people coming from developing countries is connected with projects of German technical assistance or capital aid. Some 265 "counterparts" received further training as teachers for practical problems in workshops and for theoretical questions in order later to replace German teachers in industrial schools established with German aid. The continuation training of farming experts has been intensified considerably. Another point of emphasis is the further training of management personnel from developing countries in special programmes for important key professions: industrial engineering, management, export promotion, cooperative systems, and journalism.

### **West Germany's Third Agrarian Consultation Project In India**

The Federal Republic's technical assistance in the agricultural field follows two leading ideas today: (1) Development of whole regions through comprehensive agricultural consultation projects instead of model farms, whose

effects on the region to be developed remain minor ones; (2) application of technical aid in regions that have already reached a certain minimum level. The direction their development has taken can already be discerned and with reasonable expenditure lasting success may be expected in these areas.

According to this concept and within the scope of German technical assistance an agricultural consultation project will be established after the model of Mandi in the Almora district about 300 kilometers to the North-East of New Delhi. This district belongs to the agriculturally very backward mountain regions of the Indian State of Uttar Pradesh. In 1968 the German Federal Government, together with the Food and Agriculture Organisation of the United Nations (FAO) supplied fertilisers to the district of Almora within the scope of the Freedom from Hunger Campaign. Now this district is to be developed as a model area by the introduction of progressive economic methods. This district is to become an exemplary one for the rural population of the adjoining areas. The consultation will particularly comprise cultivation of the land, cultivation of plants and manuring, cultivation of fruits, vegetables and potatoes, agricultural water-works, maintenance of soil, protection of plants, the application of pesticides, and animal breeding.