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## A step towards consolidating capital export

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# GERMAN PRISM

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## **Turnover of Goods in the Port of Hamburg**

According to information published by the Hamburg Port Authority, in February 2.788 mn tons of sea-borne goods have been transhipped by the Port of Hamburg. In this month, too, the result has been impaired by the dockers' strike in the United States, and for that reason did not quite reach the level of February 1968 (2.9 mn tons). If, however, the turnovers of maritime goods in the first two months of 1969 are added up, the total turnover surpasses with 6.197 mn tons the results of the previous year's corresponding period (6.144 mn tons).

The dockers' strike in the States hit above all the turnover of general cargo and bagged goods, which therefore decreased from 1.04 mn tons in February 1968 to 947,000 tons this February. In inbound trade 2,082 mn tons (preceding month: 2.551 mn tons) have been transhipped, including 102,000 (148,000) tons of grain, 129,000 (186,000) tons of coal, 729,000 (863,000) tons of crude oil, 382,000 (393,000) tons of mineral oil products, 71,000 (81,000) tons of fruits from the South, 408,000 (519,000) tons of other general cargo and bagged goods.

In outbound traffic 706,000 (858,000) tons have been registered, including 98,000 (103,000) tons of fertilisers, 94,000 (216,000) tons of mineral oil products, 37,000 (63,000) tons of iron, 394,000 (380,000) tons of other general cargo and bagged goods. In German coastal trade 33,000 (36,000) tons of inbound goods and 92,000 (148,000) tons of outbound cargo have been transhipped.

## **Further Increase of Industrial Production**

The cyclical growth of industrial production has continued. Although the result of January—as compared with December 1968—was somewhat lower than usual at this season, this should have been caused by the particularly high level of industrial production in December, that had been influenced by the Government's foreign trade measures. Compared with the previous year's corresponding value industrial production rose by about 17 p.c. in January. This

high rate, however, is partly a consequence of the particularly low results of the corresponding months of 1968. In the 4th quarter of 1968 industrial production surpassed the preceding year's corresponding level by more than 13 p.c., for the whole of 1968 by approx. 12 p.c.

Above all the vigorous production increase in the consumer goods industries decided the growth rate of industrial output. The cyclically conditioned production growth was only a bit smaller in the capital goods-, the basic materials- and the producer goods industries. Much below average was the output in the industries producing food, luxury food, beverages and tobacco. However, a judgement of this sector has to take into consideration that here the 1967 recession had only minor effects. In spite of the relatively small growth rates in 1968 the results in this branch of industry last year surpassed their level reached before the recession more than was the case with the capital goods industries.

Measured as output per person employed, industrial productivity (excluding power production and the building industry) rose by more than 11 p.c. from 1967 to 1968. But in the last quarter of 1968 the productivity increase reached only 6.5 p.c. still. This slowing down had to be anticipated, since production increases through a better utilisation of capacities was not possible any more to the same extent as in the 1st half of 1968.

## **A Step Towards Consolidating Capital Export**

The German Federal Government decided to extend its instruments for a promotion of financing opportunities abroad by enabling entrepreneurs to sell outright the claims arising from export transactions. It is the object of this measure to give all banks an access to long-term export financing and to place commercial banks, more than in the past, into a position enabling them to finance directly projects in developing countries. The banks—that in the medium- and long-term export business largely had confined themselves to the refinancing of German exports—are to be encouraged by this new instrument to take over those tasks of banking that are strange to the exporters.

This taking over is done by the purchase of state-guaranteed medium- and long-term suppliers' credit claims by the banks. The Federal Government supports the transfer of these claims into the banks' balance sheets by improving in some items the guarantee given the purchasing bank as compared with that given the selling exporter. For these improvements the exporter assumes, vis-à-vis the Government, the risk-difference, i.e. a liability to recourse. The exporters' chances to sell outright their claims arising from export transaction serves the consolidation of old business activities. This restriction alone shows that this new measure is no export promotion and does not intend to be one. A ceiling of DM 250 mn is provided for this measure which regarding its duration and material content is linked with the Law for Providing Security in External Trade Relations, as passed on November 29, 1968. But the German Government will examine whether the new measure will be maintained beyond March 31, 1970. The regulation has become effective on March 15, 1969.

### **Conception of a German Oil Supply Company**

A decision made by the Federal Government on March 12, 1969, paves the way for the establishing of a German mineral oil supply company. This project derives from the intention

to keep a certain share, or 25 p.c. respectively, of the German mineral oil market in German possession and thus to obstruct a further advance of foreign concerns in this sector. Above all a German owned crude oil basis is to secure the cheapest possible supply. The new company is no government corporation, but without state support it would not work. The decisive move was the Government's resolution on a regular financial support.

The new enterprise will have the firm name of "Deutsche Erdölversorgungs-GmbH" and the mineral oil companies still in German possession will be participants in it. If 25 p.c. or more of one of the partner firms becomes the possession of foreigners, it will cease to be a participant. The company's capital stock will amount to DM 50 mn, and it will act in its own name and will, for its own account, open up new mineral oil deposits, acquire already productive fields and buy shares in other crude oil companies. The new enterprise will also conclude long-term supply contracts with other firms and become active also in the field of oil transportation.

To begin with the Government's support will consist of an initial aid. The Federal Government will place DM 575 mn at the new company's disposal within six years. These loans are to be repaid under certain conditions. They are given for

the opening up of new oilfields and are to cover 75 p.c. of the expenditure. They need not be repaid if the new fields are not productive, but even if oil is found, repayment may be waived up to 50 p.c. Over and above this the Federal Government may grant contributions "à fonds perdu" up to 30 p.c. of the price paid for productive oilfields and the purchase of shares in other companies.

### **Voluntary Assistants In Developing Countries**

At present about 1,700 young Germans are working voluntarily as development assistants in Asian, African and Latin American countries. Besides the German Development Service also Church institutions and a number of minor private organisations, that are cooperating within the "Working Group of Private Development Services", have sent development assistants who are decisive for the image of German development aid. The average duration of their employment is two years in the case of the German Development Service and the smaller private organisations, while with the Church institutions it is three years. Altogether 3,476 volunteers have up to now been sent to developing countries to work there for several years.

The German Bundestag has passed a Law pertaining to German development assistants, which regulates and supports this important sector of German development aid. This Law for the first time furnishes a legal basis for the tasks of personnel working for development aid. The draft statute acknowledges the work of the German Development Service and the other organisations as a task whose performance is in the public interest. The core of this Law is an essential improvement of the development assistants' social security. Moreover, this Law establishes the equality of military service or substitute service, respectively, with the development service, and rules that development assistants will be dispensed from military or substitute services.

### **German Shipbuilding Beginning to Catch up**

The Federal Republic's share in international shipbuilding increased to 9.6 p.c. in the first three quarters of 1968, in the third quarter alone to 10.5 p.c. With that Germany surpassed Britain for the first time and holds the second place in world shipbuilding far behind Japan. This development is all the more remarkable as West Germany's share in international shipbuilding had declined to 7.1 p.c. in 1967.