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DEVELOPMENT SPECTRUM

Assignment of German Development Assistants: At the end of 1970 the German Development Service (Deutscher Entwicklungsdienst: DED) sent further 144 development assistants—46 female and 98 male—to 20 countries in Africa, Asia and Latin America. The assistants belong to a variety of professions and for two years will be employed in schools, workshops, hospitals and social centres, the construction of houses and roads in order to consult and train native labour. These assignments are to supplement the traditional forms of development aid.

The biggest group, 17 development assistants, went to India, 13 each to Jamaica and Ecuador. Eleven each of these development assistants work in Bolivia and Brazil, ten of them went to Peru, and the remaining 69 assistants are mainly employed in Africa.—Including this group that left on Dec. 27 and 28, 1970, the German Development Service sent 2, 871 development assistants to 29 countries since 1964.

Antidouble Tax Treaty with Brazil: The negotiations on an antidouble tax treaty with Brazil, that started in 1966, continued in Bonn in February, 1971. Due to the Brazilian opposition in 1967/68, the negotiations had been interrupted until 1969. The demands of the Central Association of German Chambers of Industry and Commerce as well as interviews with the head organisations of the German economy emphasised the importance of the treaty with Brazil, for the German economy invested in the past DM 1.4 bn in Brazil. Further agreements with other developing countries, as

e.g. El Salvador, Honduras, the Dominican Republic and Paraguay, in spite of the German economy's wishes are not planned for the near future—according to the Federal Ministry of Finances answering a question pertaining to this subject.

Libya — The Most Important Supplier of Crude oil: Crude oil imported by the Federal Republic of Germany during the first half of 1970 came mainly from Africa (61 p.c.), the Middle East (32 p.c.) and South America (4 p.c.).

| Amount in 1000 t. | |
|----------------------|--------|
| Total | 48,113 |
| of which | |
| Libya | 21,165 |
| Saudi-Arabia | 4,638 |
| Algeria | 4,286 |
| Iran | 4,133 |
| Nigeria | 2,899 |
| Muscat and Oman | 2,834 |
| Venezuela | 1,991 |
| Iraq | 1,830 |
| Kuwait | 1,597 |
| United Arab Republic | 644 |
| Tunisia | 319 |
| Qatar | 151 |
| Gabon | 52 |

Source: Die Welt, Nr. 29, 4. 2. 1971, p. 3.

Cooperation with Eastern Asia: According to the Parliamentary Secretary in the Federal Ministry of Economics, Philip Rosenthal, the Federal Government welcomes the fact that German firms are increasingly importing moderately priced products from East Asian countries and are intending to relocate their production to this area. Herr Rosenthal pointed out that this division of labour is in the interest of all involved but is relatively limited so far. Thus for instance of a total of DM 2.2 bn foreign investment of the German elec-

trical industry as of June 30, 1970, only DM 2.5 mn have been undertaken in East Asian low-wage countries and DM 37 mn in Japan. Large-scale enterprises are in a favourable position due to their good financial standing, but counterbalances are created for small- and medium-size enterprises as e.g. ERP-credits at reduced rates of interest and the cooperation with Deutsche Entwicklungsgesellschaft (German Development Association).

Agreement with Tunisia: Within the scope of two agreements on financial cooperation concluded with Tunisia in April 1970, the Federal Republic of Germany provides a total of approx. DM 55 mn as a loan earmarked for the financing of important projects within the current four-year plan (DM 35 mn), for the import of products from the FRG (DM 15 mn) and the rehabilitation of the highway Sousse-Kairouan (DM 5 mn) which was affected by a disastrous flood.

Loan agent is the Reconstruction Loan Corporation (KW) which has already granted a credit of DM 35.8 mn for financing part of the first stage of an important water supply project. This first phase comprises the construction of the Kef Rirka dam on Oned Bon Heurtma, located about 125 kilometers westward of Tunis, of a water supply pipe, a store-reservoir and the preparation of an irrigation area of 3,350 hectares (1 ha: 2,4711 acres). The total project for the artificial irrigation of an area of 19,000 hectares is to be completed in ten years. Estimated cost of the first stage will reach DM 67 mn,

that of the whole project DM 200 mn. A study made by Agrar- und Hydrotechnik GmbH (ATH), Essen, is the planning basis for this project.

Besides these government treaties there are other development policy agreements between the Federal Republic and Tunisia, as e.g. a DM 10 mn loan granted by KW for the financing of medium-size industrial enterprises and tourism projects (period to maturity 30 years, interest rate 2.5 p.c.), and numerous contacts between German and Tunisian enterprises for the purpose of joint efforts for the expansion of Tunisia's industrial capacities.

Child-Welfare Project in East Nigeria: There are still a lot of unsolved problems in the former crisis area of East Nigeria. True, most of the evacuated children returned to their homeland but 1,400 of them are still living in the children's village of Caritas and Diakonisches Werk. The economic position of parents, relatives or village communities enables the return of the children in only 60 p.c. of all cases. The remaining 40 p.c. will be looked after carefully. This and the children's reintegration in their East Nigerian homeland will be the focal points of the two Church institutions' work.

Moreover, a scholarship fund has been set up for the support of the many destitute students. This fund is operated by a joint committee consisting of representatives of state, church and university. Diakonisches Werk made a first part-payment of DM 50,000 already in January 1971.

The campaign "Bread for the World" provided also DM 1.1 mn from its charity funds. This sum is earmarked for the reintegration of children returning home

and for the financing of a general child-welfare project.

Cement Factory in Venezuela:

Recently a new cement factory with an annual capacity of 400,000 tons has been completed in San Sebastian (Venezuela). The equipment for the new factory came from Germany. Klöckner-Humboldt-Deutz AG supplied the main equipment and Siemens AG the electrical outfitting. The owner of the works is Consolidada de Cementos, C.A. (ConCeCa) which apart from the factory in San Sebastian owns factories also in Chichiriviche and also holds a leading position in Venezuela's cement production. ConCeCa's share in Venezuela's cement market amounted to an average of 16 p.c. during the last years. The company supplies mainly the states of Aragua, Carabobo and Falcon and also exports small quantities. The coverage of the company's demand for long-term capital requirements following the completion of the factory was provided by an IFC consent to grant a loan of US-\$ 2 mn which was spent on the purchase of an issue of ConCeCa to the value of US-\$ 5.6 mn.

German Help against World Hunger:

Aid for self-aid is given by "Deutsche Welthungerhilfe" in those cases where the employment of government and multilateral organisations does not pay. Thus for instance in 1969 the inhabitants of a little village in Dahomey started the construction of a small dam by means of a self-aid action. When the funds provided for this purpose did not suffice anymore, "Deutsche Welthungerhilfe" helped by supplying the necessary building material. In the meantime the first crop could be harvested on the newly irrigated acres. Self-aid and unbureaucratic immediate assistance brought quick success.

Investment Guarantees: Deutsche Revisions- und Treuhand-Aktiengesellschaft decides on the promotion of German direct investment in LDCs. This is the prerequisite to Federal guarantees.

The total level of guarantees granted LDCs at the end of 1970 amounted to DM 1,316.7 mn.

| Year | Approved Guarantees in DM mn | Guarantees in p.c. of Direct Investment |
|-------|------------------------------|---|
| 1960 | 80.0 | 27 |
| 1961 | 129.5 | 24 |
| 1962 | 62.3 | 23 |
| 1963 | 39.0 | 22 |
| 1964 | 159.1 | 66 |
| 1965 | 312.0 | 74 |
| 1966 | 67.9 | 18 |
| 1967 | 100.0 | 27 |
| 1968 | 90.1 | 12 |
| 1969 | 132.7 | 11 |
| 1970 | 144.1 | 37 |
| Total | 1,316.7 | 23 |

The following table shows the regional distribution of guarantees at the end of 1970.

| Country | Number of Applications | Amounts in DM mn |
|----------------------------|------------------------|------------------|
| Africa | 243 | 557.6 |
| of which: | | |
| Libya | 9 | 261.9 |
| Liberia | 21 | 133.0 |
| Guinea | 1 | 31.7 |
| Ivory Coast | 20 | 26.6 |
| Nigeria | 35 | 21.4 |
| South- and Central America | 300 | 456.1 |
| of which: | | |
| Brazil | 91 | 240.8 |
| Argentina | 46 | 116.0 |
| Chile | 53 | 44.0 |
| Columbia | 26 | 22.6 |
| Asia | 156 | 210.7 |
| of which: | | |
| India | 52 | 81.0 |
| Iran | 24 | 38.2 |
| Europe | 86 | 92.3 |
| Total | 785 | 1,316.7 |

Source: Deutsche Revisions- und Treuhand-Aktiengesellschaft.

Compiled from Government information data.