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DEVELOPMENT SPECTRUM

Talks and Contacts: The Federal Minister for Economic Co-operation, Dr Erhard Eppler, has met the President of the African Development Bank, Abdelwahab Labidi, in Bonn. In the course of their conversation the representative of 32 African States voiced the wish that the Federal Republic of Germany should contribute to setting up a special fund of the Bank and place German experts at its disposal. The Parliamentary State Secretary in the Federal Ministry for Economic Co-operation, Frau Brigitte Freyh, received Francesco Aquino, the Executive Director of the World Food Programme, on the occasion of his first working visit to Bonn. They discussed German participation in the World Food Programme. In 1971 the FRG will make DM 17 mn available (against DM 12 mn in 1970). At a press conference on 1st February F. Aquino said that a total of DM 700 mn had been provided for the World Food Programme up to 1970. This sum was used for financing 460 food aid projects in 83 countries. The FRG has so far provided DM 88 mn for this purpose — about 12 p.c. of the whole.

Food Aid: The Federal Ministry of Finance has made an extra DM 16.5 mn available for food aid to developing countries. The outlays in excess of the planned sums were made for deliveries under the International Grains Agreement concluded in conjunction with the Kennedy Round in 1967. Under the Food Aid Convention which expires at the end of June the contracting States have undertaken to supply four million tons of wheat or other grains annually to the developing countries. The cereals are either given free to the

recipient countries or sold to them for payment in their local currencies.

It appears from a letter of the Federal Ministry of Finance to the Bundesrat (Upper House of Parliament) that the additional outlays have become necessary since it is to be expected that the EEC Commission will not fix the reimbursements for food deliveries at the anticipated level. While the original calculations were based on reimbursements of DM 150–180 a ton, DM 110 a ton is now the most that can be expected. For this reason alone an additional expenditure of DM 13.9 mn is required. Besides, the Federal Republic has been put under an obligation by the Commission to provide supplies of 10,100 tons for Community actions in addition to its proportional share. This involves additional expenditure of another DM 2.6 mn.

The Federal Republic in consequence retains the third place among food suppliers in the framework of public development aid. The United States ranked first among donor countries in 1969 when it provided \$ 317 mn—68 p.c. of the DAC countries' total—to developing countries and multilateral institutions. The corresponding contribution from Canada amounted to \$ 51.8 mn and that from the Federal Republic to \$ 33.6 mn. Other important food suppliers among DAC States were France (with \$ 17.6 mn), Australia (\$ 14.3 mn) and Great Britain (\$ 11.3 mn).

Training of Turkish Workers: The Federal Ministry for Economic Co-operation wants the native countries of foreign workers to benefit through a system

of co-ordinated measures from the experience which the workers have gained in the Federal Republic. This programme, which is being launched first for Turkish employees in the FRG, is soon to be extended to some countries of the Maghreb. The Bundestag (Lower House) Budget Committee has earmarked the sum of DM 3 mn for this purpose. From May 1, 1971, 55 Turkish workers who want to return to their own country will be prepared for the guild certificate in their respective trades (machine-building, motor car repairs, electrician's work) for nine months in Nuremberg and subsequently receive business training in Turkey. Another course, for 150 Turks, will open in Cologne in September. The Ministry bears the cost of the training and of maintenance for the students and their families.

Those who do best in the courses will be helped to set up their own small or medium-sized firms in the service and supply sector if they pay part of the investment expenses out of their own savings in the FRG. The others are with the help of Turkish authorities to be passed on to larger enterprises. DM 5,000–15,000 per worker will be made available in credits. These loans will be supplied from mid-1972 by the German Development Society in collaboration with the Turkish People's Bank which will administer the funds.

Co-operation FRG—Burma: The Federal Government will come to the aid of Burma's tin mining and mineral oil industries with a total sum of DM 30 mn. Subject to a final investigation by the German Reconstruction Loan

Advance Questionnaire of Main DAC Aggregates
Reporting Country Germany

Disbursements	1969 ¹	1970 ¹
	DM mn ²	
Total Flows, net	8210.4 α	5458.9 e
I. Official Development assistance, net	2334.0 α	2276.2 e
1. Bilateral grants and grant-like flows of which: Technical Assistance	861.2 α	917.9 e
	583.3 α	691.7 e
2. Bilateral Development loans, net (including other bilateral assets, net)	1000.2 α	833.4 e
3. Contributions to multilateral institutions	470.8 α	524.8 e
II. Other official Flows, net	-202.7 α	483.5 e
1. Bilateral flows, net	62.7 α	291.3 e
2. Multilateral flows, net	-265.8 α	192.2 e
III. Private Flows, net	5882.7 α	2479.3 e
1. Direct investment	915.7 α	1161.7 e
2. Bilateral portfolio	2592.7 α	404.1 e
3. Multilateral portfolio	1416.0 α	228.0 e
4. Export credits	958.4 α	685.5 e
Grants by voluntary agencies	196.4 α	220.0 pe
Gross National Product at market prices (billion \$)	602.1 α	678.2 e
New Commitments		
I. Amounts	3114.4 α	4147.9 e
1. Grants (\$mn)	1294.4 α	1625.8 e
2. Loans (\$mn)	1820.1 α	2522.1 e
of which Official Development Assistance (\$mn)	2517.0 α	2910.8 e
Other official Flows (\$mn)	597.4 α	1237.1 e
Terms of new Commitments of Official Development Assistance Lending		
1. Average effective interest rate	3.24 % α	2.85 % e
2. Average grace period ³	26.00 years α	28.21 years e
3. Average maturity ³	7.59 years α	8.47 years e

¹ Indicate status of items as follows: α = actual, e = estimate, pe = preliminary estimate. ² Conversion Exchange rate used 1969 US\$ 1 = DM 3.92; 1970 US\$ 1 = DM 3.66. ³ To be expressed to 2 places of decimals.

Corporation (KfW), the Federal Government is willing to finance the extension of the Heinda tin mine with DM 10 mn. This object is based on a former undertaking to the Burmese Government. The other DM 20 mn of capital aid granted for 1971 are to be used for on-shore prospecting for oil in Burma.

A group of six experts (geologists, mining engineers and an economist) will shortly leave for Burma to undertake a systematic survey, together with local specialists, of mineral raw material deposits and an examination of the opportunities for their economic exploitation. Ten months are allowed for prospecting. Exploration of the multifarious mineral resources of the country is part of the Burmese development programme.

A Burmese delegation led by Mining Minister Commodore

Thaung Tin is leaving for home with the commitment by the State Secretary in the Federal Ministry for Economic Co-operation, Professor Karl-Heinz Sohn. The delegation has been touring the Federal Republic for a week and met leading representatives of industry and commerce.

IDA Aid for Niger and Guatemala: A \$ 5.7 mn credit of the International Development Organisation (IDA) to Niger is to be used for building and reconstructing three important roads in the country itself and opening serviceable and reliable export routes through Niger to the coast. The interest-free credit for 50 years is to help to lower the costs of import and export, which at present are still extremely high, by financing improved access to the Nigerian ports. IDA is also granting a loan to Guatemala. Amounting to \$ 4 mn at

7.25 p.c. for 16 years, it is to furnish part of the finance for a stock-farming programme.

According to a US Chamber of Commerce report, the USA is providing 26 p.c. of the World Bank's capital and almost 40 p.c. of IDA's financial resources. US enterprises usually receive less than 26 p.c. of the contracts financed by the World Bank and had no more than 15 p.c. of IDA-financed orders. The FRG has subscribed 5.4 p.c. of the World Bank's capital and participates with 8.7 p.c. in IDA. In the corresponding period 16 p.c. of the contracts financed by the World Bank and 14 p.c. of IDA-financed orders went to firms in the FRG.

Trade with the Third World: The exports of the Federal Republic of Germany to the developing countries amounted to DM 21.3 bn in 1970, compared with DM 19.5 bn in the preceding year. German imports from these States totalled DM 20.9 bn (DM 20 bn in 1969). The rate of increase over 1969 was 9.2 and 4.5 p.c. respectively. Total FRG exports and imports rose in this period by 10.3 and 11.9 p.c., and the trade with developing countries accounted for 16 p.c. of all German exports and 20 p.c. of all imports.

The German balance of trade with the developing countries in 1970 was in surplus, if only slightly, for the first time since 1967. The surplus arose chiefly in trade with European States — Spain, Greece, Turkey, Cyprus, Yugoslavia and Malta. The FRG also earned an export surplus (DM 710 mn) in trade with East Asia but was in deficit (DM 296 mn) with Latin America. The largest import surplus (DM 3.2 bn) emerged in trade with the African States.

Compiled from Government Information data.