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# DEVELOPMENT SPECTRUM

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**Talks and Contacts:** Talks held by Mr Paul Hoffmann, Administrator of UNDP (the United Nations' Development Programme), on March 31 and April 1, 1971, with the Federal Republic's Ministers, Dr Eppler and Professor Ehmke, and with representatives of the Federal Ministry of Finance, Herr Reichl, and of the Federal Foreign Office, Dr Herbst, were directed towards an increase of the Federal Republic's financial and personal contribution to the UN's development activities. At the same time, the reorganisation of the UN's development system and the problem of development helpers' personal safety was discussed.

Professor Sohn, Secretary of State in the Federal Ministry for Economic Cooperation, and Herr Eggers, the Senator for Economics and Foreign Trade of the City of Bremen, signed an agreement on a programme for further training of experts and leading personalities from developing countries, who are active in export promotion.

**West Germany's Point of View at the Special Conference of UNIDO:** At the Fifth Council Meeting of UNIDO (United Nations' Development Organisation) at Vienna, the Federal Republic of Germany was represented by its Ministry of Economics and Finance. The head of the delegation was Dr Hanemann, who explained the development programme of the Federal Government, emphasising that economic progress in developing countries is mainly their own responsibility. Their industrialisation, he pointed out, is a many-sided task, but the funds at the disposal of UNIDO are limited. This makes it necessary that its programme has to concentrate on projects of high priority. In the main, the funds should be channelled into help-

ing the creation of industries working for export, into adapting their products to international requirements of quality, into training of skilled specialists, and into passing on technological experience and knowhow. In addition, Dr Hanemann spoke of the need for the maintenance and repair of industrial equipment, for measures supporting the "Green Revolution", for promoting the creation of labour-intensive industries, for setting up industrial information centres in developing countries, and for fostering regional cooperation.

**African Development Projects:** During the period 1962-1970, Morocco received development aid from the Federal Republic of Germany to a total value of DM 423 mn. These sums were used for financing chemical plants at Safi, for setting up phosphate mining equipment at Grand Daoni, and for equipping three sugar mills, as well as for building dams and other elements of a modern infrastructure. In 1966, Morocco and Germany concluded an agreement on technical aid, regulating, among other things, the residence of German technical experts in the country. German advisers have helped the Moroccan Development Bank (BNDE), Moroccan experimental farms, and the managers of modern hotels. The Moroccan Ministry of Information was given a printing plant and 15 travelling cinemas installed on motor vans. During a recent visit of the Federal Republic's Minister for Economic Cooperation, Dr Erhard Eppler, new agreements were signed for channelling more German aid to Morocco.

A Tanzanian delegation, led by the Secretary of State in the Ministry of Education, Mr Mganga, has been negotiating in Bonn on German aid contributing to the creation of a technological faculty in the University at Dar es-

Salaam, in setting up a vocational school for technicians, and in a training centre for farmers. These talks are to be continued.

Agreements on capital aid were made between the Federal Republic, on the one side, and Ghana and Sierra Leone as the recipients of aid. This will result in Ghana receiving DM 20 mn for financing infrastructure projects, whose suitability for support will be thoroughly scrutinised. Sierra Leone is to get DM 14 mn for building a road between Lunsar and Mehki, as soon as the examination as to its suitability for aid is completed.

Kenya was granted a German credit of DM 4.6 mn for creating an industrial estate comprising 24 small firms at Nairobi.

The Minister of Economics of Swaziland, Mr S. S. Nxumalo, has been having talks at the Federal Republic's Ministry of Economics and Finance on the chances of promoting direct German investments in Swaziland in cooperation with the Swazi Company for Development.

**Foreign Trade with Latin America:** Latin American countries make increasing efforts to raise their exports of non-traditional products to German markets. In 1970, German imports from Latin America rose to the equivalent of \$ 1.4 bn, whilst German exports there grew to \$ 1.3 bn. But growth rates of this trade are altogether lower than those of West German foreign trade as a whole. The effect is that the percentage contribution of Latin American trade to the volume of total foreign trade of the Federal Republic of Germany has been declining over the years: its share in total German imports was 4.7 p.c., and in exports only 3.9 p.c. On the whole, the German trade deficit has gone down to about \$ 83 mn. A very high deficit exists in trade

**Development Fund Projects of the EEC in Africa  
and Contributions of EEC Members to their Finance  
1968-1970**  
(US\$ mn)

Contributing Country	Total Contributions to Development Projects	Percentage Shares (annually)		
		1968	1969	1970
Germany	121.39	11.93	13.43	13.97
Belgium	48.98	5.79	5.89	5.94
France	363.06	42.58	40.74	41.78
Italy	106.02	11.36	12.48	12.20
Luxembourg	4.89	0.36	0.34	0.57
Netherlands	42.08	4.49	4.28	4.84

Source: European Development Fund, Brussels.

between Germany and Chile, whilst a high trade surplus was earned by the Federal Republic in its transactions with Mexico.

Latin American countries have recently shown particular interest in foreign investors diversifying their activities, and at the same time, an attempt is made to attract their capital, more than in the past, to the smaller Latin American states. Direct private investments from Germany had reached about DM 3.7 bn by the end of 1970, which was about 12 p.c. more than in 1969. About 60 p.c. of all German private investments in developing countries have gone to Latin America. On the other hand, most German capital aid from government funds is flowing to Asia, and the larger part of technical aid to Africa. This is why the Foreign Trade Committee of the Frankfurt Chamber of Industry and Commerce advocates increased development aid from the Federal Republic for Latin America, pressing these countries, at the same time, for increasing the preparation of more projects of their own, which are deserving of support.

**Promotion of Imports from Developing Countries:** The German Federal Association of Wholesale and Foreign Traders (BGA) has been helped by the Ministries of Economics and Finance and for Economic Cooperation to set up a Contact Centre, whose main purpose is to facilitate imports

from developing countries. It has recently published its first preliminary report on its work of building up contacts and business transactions between potential foreign suppliers and German importers.

This report describes the Contact Centre's experiences during the first three months of its activities: it succeeded in publishing a total of 72 firm offers of exports from 18 countries. Ceylon, with 23 individual offers, marched far in front of all other potential exporting countries, followed, in this order, by Ghana, India, Peru, Brazil and Pakistan. Of the 72 offers, the Contact Centre was able to pass 22 on to German importers in the period between January 1 and March 31, 1971. The Centre's principal interest is the discovery of finished and semi-finished products of developing countries which—possibly through using German technical aid—could be adapted to the requirements of German and EEC markets.

Experience has shown that aid through trade must begin with marketing operations: all too frequently, proper processing of the offers received was hampered by the lack of price quotations, technical specifications, information about export capacities and about delivery times. In the cases of other goods which showed good marketing potential, orders could not be finalised because the marketing regulations of the

EEC prohibit such imports. On the whole, however, it was found that there is good and fruitful cooperation both with German importers and with the authorities and organisations in developing countries.

**The Visit of India's Foreign Minister:** On the Federal Government's invitation, Mr Swaran Singh, the Foreign Minister of the Indian Republic, has come for a visit to the Federal Republic of Germany on the June 9 and 10, 1971. In his talks with the Federal Chancellor, Herr Brandt, and with the Foreign Minister, Herr Scheel, he emphasised, among other subjects, the deep concern his own government feels over the problem of the mass exodus of refugees from East Pakistan. He underlined the fact that the care for these millions does not only impose an immense burden on India's government, but that their mere presence increases social and economic tensions, thus forming a grave threat to peace and security in the region affected.

Mr Singh expressed his gratitude to the Federal Government for all the official and private efforts to give help to the refugees, as well as for the great measure of understanding and sympathy shown by the Federal authorities for the difficult situation that has arisen in that part of India. Aid from the Federal Republic to alleviate this problem has so far reached a value of DM 6 mn. Most of it consisted of consignments of drugs, tents, blankets, rubber boots, etc., and virtually all of it has been transferred to India via the United Nations' High Commissioner for Refugees. In addition, two members of the Federal Parliament have gone on an information tour to India for studying the possibilities of further charitable aid.

*Compiled from Government information data.*