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## **Esso: A Turnover of Almost DM 5.8 bn in 1970**

tons in spite of an almost unchanged keen competition.

Since in 1970 costs in all stages of the mineral oil industry increased at an unusually high rate, in spite of a certain improvement of proceeds, Esso AG again could not achieve a satisfactory result in its mineral oil business taken by itself. The annual surplus of DM 97.6 mn results from the successful activities of associated companies and extra profits. The annual surplus will be used for the liquidation of the loss of DM 83.1 mn occurred in the preceding year. After the transfer of DM 0.7 mn to the legal reserves there remains a profit of DM 13.8 mn as shown in the balance.

## **DIW, Berlin: Hitherto Highest Increase in Costs**

for the further cyclical development in the Federal Republic. In the short term the Institute anticipates a reduced profits margin and a declining propensity to invest. In the long run it expects an adjustment of producer prices to unit wage costs and a decreasing number of employed persons, possibly caused by the substitution of capital for labour and higher rationalisation investments. The Berlin Institute, too, emphasises that "at the end of 1970 the increase in unit wage costs adjusted for seasonal variation and calculated on an annual basis with 16 p.c. has reached its hitherto highest level in absolute terms".

## **Expansive Export Financing of AKA and KW**

Corporation), Frankfurt/Main, to the financing of the Federal Republic's development aid in the post-

In 1970, its 80th business year, Esso AG, Hamburg, increased its turnover including Turnover Tax, by approx. DM 829 mn or almost 17 p.c. to DM 5,777 bn. Its sales rose by 2.1 mn

war period leaves no room for doubt. As shown by the recently published annual reports for 1970, the foreign business of both institutes has expanded remarkably during the past year. The continuously strong demand abroad in industrialised as well as in developing countries for capital goods to be financed at relatively long terms made the exporters' demand for refinancing increase further. Thus last year the total volume of AKA's consents to grant loans rose by DM 0.9 bn to DM 7.6 bn, i.e. to the hitherto highest level, whilst new credits promised by KW increased by DM 0.75 to DM 2.8 bn.

## **Labour Force: a High Total, but Less Germans**

more than during the last census in 1961. Deducting foreign workers from the total, the number of German workers and employees has declined by 2.8 p.c. to 25.4 mn during the same period. Analysed by economic sectors a distinct decrease is shown by 30.2 p.c. to 2.4 mn in agriculture and forestry. A small increase by 3.6 p.c. to 13.3 mn is registered by industry and one by 3.9 p.c. to 4.8 mn by trade and transports. High growth rates are to be noted in the service-rendering trade, i.e. by 18.5 p.c. to 3.5 mn, as well as in the credit and insurance business by 31.4 p.c. to 0.6 mn. Outside the sector of enterprises, organisations not based on profit and loss principles as well as private households registered a decline by 20 p.c. to 0.4 mn, while, on the other hand, territorial authorities and social insurance institutions experienced an increase by 23.5 p.c. to 2.2 mn.

## **Krupp GmbH Has again Caught up with Success**

1970 the three-years' consolidation phase—following the crisis year of 1967—could be wound up. This proves that Krupp has caught up again with other large-scale enterprises.

In the Federal Republic the number of gainfully employed persons amounted to a total of 27.2 mn according to the available results of last year's micro-census. This is 2.3 p.c.

The third business year since its organisation as a joint stock company has been a complete success for Fried. Krupp GmbH, one of Germany's oldest and most renowned firms. In

The best evidence is given by the development of proceeds. In 1970 the combine increased its annual surplus from DM 63.1 mn to DM 106.6 mn, after a loss of DM 10 mn had still been shown in 1968. The reason for this remarkable renaissance of Krupp—in 1970 the firm could increase its extraneous turnover by 9.7 p.c. to DM 6 bn, its total turnover by 11.9 p.c. to DM 7.2 bn—is to be found in the fact that the sources of losses could either be liquidated, as e.g. the truck production in Essen, or be overcome energetically. Here AG "Weser" probably offers the best example.

Herr Vogelsang considers the currently much discussed business with the Russians with sober optimism. The Chairman of the Supervisory Board, Herr Beitz, has also just returned from Moscow. In particular chemical plants, raw materials and iron products are thought to offer good chances for exports to Russia. Hitherto 8 p.c. of exports to the value of DM 1.3 bn fall to the share of total trade with Eastern countries.

#### **Secured Future for Non-ferrous Metal Industry**

25 years after the war the German non-ferrous metal industry—with its more than 1,000 enterprises, 136,000 employees and workers and DM 12 bn total turnover—succeeded in establishing a well balanced equilibrium between production and imports. Any fear of surplus capacities is unfounded. To the contrary, an adequate supply from its own production has been achieved. This is the opinion of Dr Walter Sies, head of the Economic Department of Metallgesellschaft AG, Frankfurt, the market analyses of which have found international attention beyond its own branch for many years already. The German market is structurally in a position to absorb the new capacities.

According to Dr Sies there are rising basic tendencies in the case of the major non-ferrous metals aluminium, copper, spelter, nickel as well as with the technologically interesting rare metals as e.g. titan and zirconium, in spite of the present stagnation. A market stimulation is currently also anticipated due to the cyclical reduction of stocks.

#### **Social Insurance Pensions: More Employees — Less Workers**

80,000 workers will annually—until 1975—become employees, and during the same period the num-

The trend towards the "age of employees" is shown in the recent Federal Government Report on the Revision of Social Insurance Pensions.

According to this report

ber of employees will increase by about 50,000 to the debit of the number of workers. This development is caused by changes in the professional structure. Until 1975 the total number of employees will thus increase to 8.3 mn (at present 7.8 mn), while the number of workers will decline from 12.8 mn to 12.5 mn. During the same period the number of self-employed persons and assisting family members should be reduced from 4.6 mn to 4.5 mn.

#### **Travel Expenses Abroad: Before a New Record**

The Germans' delight in travelling is unbroken and new records are to be anticipated. Already in the 1st quarter of 1971 the travel expenses of Germans in foreign countries surpassed the previous year's corresponding level by DM 2.05 bn or 34.2 p.c., which is the highest growth rate of the last years. The EEC-countries were less favoured showing a growth rate of only 19.7 p.c., and Italy, hitherto one of the most popular aims of German travellers, registered a considerably below average growth rate of 8.3 p.c. to DM 249 mn. France showed a slight decline even by 1.9 p.c. to DM 102 mn. Among the EFTA-countries Austria achieved an increase by 20.4 p.c. to DM 419 mn, closely followed by Switzerland with a steep rise by 35.9 p.c. to DM 409 mn. The highest growth rates registered the "rest" of the countries, among them Spain with 79.5 p.c. (DM 140 mn) and Yugoslavia with 37.1 p.c. (DM 85 mn).

#### **Exports of Finished Goods: FRG Surpasses the USA**

In 1970 the Federal Republic of Germany surpassed the United States in exports of finished goods. According to international data now available, German exports increased by 17 p.c. to \$ 30.66 bn as compared with 1969. The USA, on the other hand, achieved a growth rate of 9.7 p.c. to \$ 29.37 bn. This development is proof of the relatively stable level of industrial producer prices and the fact that "made in Germany" is still enjoying a good reputation in the world. To maintain this good reputation is very important if only for the reason that the German industry is much more depending on exports than the American one. The 3rd place among the 11 most important industrial countries that produce 85 p.c. of all finished goods in the world is probably held by Japan. For this country no data are as yet available for the 4th quarter of 1970, but its finished goods exports may be estimated at \$ 18 bn. This would mean an increase by 21 p.c.

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