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DEVELOPMENT SPECTRUM

Trade with the Arab Countries:

The FRG's foreign trade with the Arab countries increased in the first half of 1971 compared with the same period of last year, on the export side by 2.5 p.c. to DM 1.13 bn and in imports by 26.7 p.c. to DM 3.28 bn. The Arab countries thereby maintained their share of FRG exports almost unchanged at 1.8 p.c. but slightly enhanced their position in the FRG's import trade, by 0.7 p.c. to 5.5 p.c.

The trade exchanges with individual countries show very great differences. In the FRG's import trade the largest gains were scored by Qatar (255 p.c.), Syria (217 p.c.) and Saudi Arabia (116 p.c.); exports increased most to the Lebanon (68 p.c.), the Sultanate of Oman (55 p.c.), Bahrain (53 p.c.) and Morocco (51 p.c.). Trade with the Arab Republic of Egypt and the Sudan fell off in both directions.

The most important trade commodity is petroleum which accounts for 89 p.c. of all German imports from the Arab region; 76 p.c. of all the FRG's oil imports came from Arab States. Without them the balance of trade would show a surplus of DM 778.6 mn in favour of the FRG.

German Foundation for Developing Countries:

Deutsche Stiftung für Entwicklungsländer (German Foundation for Developing Countries) welcomed 2,505 guests to the 34 international meetings and countless other programmes arranged in 1970. In the same year 97 overseas students received grants from the Foundation, and 400 German experts were especially trained for work in developing countries. An average of 100–150 staff members of international development aid organisations attended meetings of the Foun-

datation in recent years, and DM 14 mn of finance were applied in 1970. The German Foundation for Developing Countries has adapted its programmes to Second Development Decade needs by investigating individual questions bearing on economic development (especially the development of industry and agriculture), social development, administration and education (with particular reference to technical vocational instruction) and dealing with them in special courses. It interested itself in particular in evaluating development aid measures and methods of adult education. Over 2,000 German and foreign university lecturers took part in discussions devoted to these subjects last year.

Cooperation in Nuclear Research with Argentina:

Gesellschaft für Kernforschung mbH, Karlsruhe – GfK (Nuclear Research Corporation) and the National Atomic Energy Commission of Argentina have signed an agreement on cooperation in scientific research and technological development. The agreement envisages exchanges of scientists and scientific and technological research findings. Besides, it contains provisions for cooperation in the following fields: Joint or co-ordinated arrangements for the perfection and extension of knowledge, joint or coordinated research and development programmes, utilisation of scientific and technical installations and equipment, and the seconding of experts.

The agreement signed at the end of July was preceded by a skeleton agreement arranged between the Governments of the Federal Republic and Argentina in March 1969. The new agreement which has meanwhile been

ratified establishes a contractual basis for the close relations which have for years existed between the Nuclear Research Corporation in Karlsruhe and Argentina's National Atomic Energy Commission.

Easier Terms for Capital Aid:

The average rate of interest charged to developing countries which receive from the Federal Republic financial support in the form of capital aid is down to 2.85 p.c. per annum. The aid loans have an average length of 28.2 years, according to the Federal Ministry of Economics, and redemption on average starts after 8.7 years. The Federal Government is thus for the first time meeting the OECD recommendations.

The proportion of tied capital aid fell from 33.5 p.c. in 1969 to 26.8 p.c. in 1970. Nevertheless West German exports to developing countries at the same time increased by 6 p.c. Since development aid was first given on an enlarged scale in 1960, the Federal Republic has committed itself to total long-term bilateral capital aid of DM 15.4 bn, of which DM 10.9 bn has been paid out. In the past two years 55 p.c. of assented aid went to Asia, 11–12 p.c. to Latin America and the remainder to developing countries in Africa and Europe. More than half was used for infrastructure projects, nearly 25 p.c. were destined for setting up industrial plants, and over 10 p.c. went on grants to small and medium-sized private enterprises.

Progress Report of DEG:

Deutsche Gesellschaft für Wirtschaftliche Zusammenarbeit mbH, also known as Deutsche Entwicklungsgesellschaft – DEG (German Corporation for Economic Cooperation) has the task of stimulating direct investment

by German industry in developing countries which otherwise would attract little or no foreign private investment. Besides, the DEG has the aim of encouraging investment in developing countries by small and medium-sized firms and removing the causes of the low level of private aid (shortage of capital and information). 1970 has been the DEG's most successful year since its foundation in 1961. 24 new finance commitments to 13 countries were taken on, involving a total sum of DM 48 mn. The DEG assisted in another 90 projects through acquisition of substantial interests in East African development banks. Key-points of its activity are investments in Africa (34 projects accounting for a total of DM 394 mn). Next come Latin America (with 32 projects involving DM 187 mn) and Asia (with 19 projects and total investments of DM 231 mn). In the next few years the DEG is to enlarge its activities, as was stated when the annual report was presented. The Corporation will cooperate more actively with national development banks and, furthermore, endeavour to promote cooperation with third countries by acting as a coordinating centre.

Minister Eppler's Visit to Africa: The Minister for Economic Cooperation, Dr E. Eppler, stated on return from his five-day visit to Zambia and Tanzania at the end of July that the FRG continues to have good relations with these states, despite the Cabora Bassa dam dispute. Bonn is however expected to be more cautious in future in entering into Government commitments to parts of Africa under the rule of what are considered colonial or minority regimes.

When talking to Presidents Kenneth Kaunda of Zambia and Julius Nyerere of Tanzania, the Minister promised support for an integrated regional project in

Number of DEG Projects by Countries on December 31, 1970

Country	Assented	Drawn up
Africa		
Burundi	1	—
Cameroun	4	—
Chad	1	—
Congo B.	1	—
Congo K.	—	1
Ethiopia	3	1
Gaboun	2	—
Ivory Coast	3	—
Kenya	6	2
Madagascar	—	1
Malawi	—	1
Morocco	—	2
Nigeria	5	1
Rwanda	—	1
Somalia	1	—
Togo	—	1
Tunisia	2	1
Uganda	2	1
Tanzania	4	4
Latin America		
Argentina	4	3
Brazil	18	1
Chile	2	—
Colombia	2	1
El Salvador	1	—
Mexico	4	1
Asia		
Afghanistan	1	—
Ceylon	—	1
China (Taiwan)	2	1
India	4	—
Indonesia	—	1
Iran	—	1
Israel	2	2
Korea	2	1
Malaysia	—	1
Pakistan	1	—
Singapore	—	1
Thailand	3	1
Turkey	4	3

Source: Annual report of the German Corporation for Economic Cooperation for 1970.

Tanzania and a development scheme to open up the agricultural potentialities of Zambia. Besides, it was agreed to have a second round of negotiations on a double taxation agreement between the FRG and Zambia.

The Refugee Problem in India:

It is only by means of the greatest financial sacrifices that the Indian Government manages to cope with the influx of refugees. By early August their numbers had risen to 7.3 mn, it was learnt in Bonn, and reportedly they are still increasing by 40,000 to 50,000 a day. The Indian Parliament has now voted 2.0 bn rupees (DM 1.0 bn) for the support of refugees up to the end of this year, the first allocations which totalled 600 mn rupees having been used up already.

Faced with these facts, the Indian Government has asked the United Nations for help, and the Federal Republic has responded by promising another gift of DM 10 mn for East Pakistani refugees in India to the UN High Commissioner for Refugees. For the same purpose Bonn first contributed DM 1.0 mn in May and then DM 4.0 mn in June. In addition, the Federal Government gave DM 1.0 mn to the German voluntary organisations working in India and, in cooperation with the German Red Cross and private relief organisations, sent out tents, food, drugs and medical equipment worth DM 19.0 mn to help Pakistani refugees.

Compiled from Government information data.