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## Development spectrum

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# DEVELOPMENT SPECTRUM

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**African Railway Union:** Under the sponsorship of ECA (United Nations Economic Commission for Africa), a conference has been convened to Addis Abbeba in 1972 for forming an African Railway Union, as the result of a Railway Seminar run by the German Foundation for Development Aid. This Foundation had been set up in Berlin in 1959/60, at the suggestion of the Federal Republic's Parliament, and it will also help organising the projected Railway Union. The Foundation sees in the result of its seminar another success of its work for disseminating among developing countries the experiences of industrial nations for overcoming problems.

The seminar had been attended by 26 railway experts from almost all African countries, by technical staff of the German Federal Railways, and by experts of ECA. It brought out the need for coordination in a Railway Union. Few African countries own efficient railway networks and well-trained expert staff. At present, six different rail gauges in use make it impossible so far to link up African railway networks across national frontiers. The Railway Union will be a joint project of African states for helping to overcome such problems and to lay the foundation for an African Common Market.

**Personalia:** A German delegation which included Frau Brigitte Freyh, the Parliamentary Secretary of State in the Federal Ministry for Economic Cooperation, Dr Rinsche, Deputy Chairman of the Bundestag Committee for Economic Cooperation, Dr Gerhard Pfeiffer of the Foreign Office, Dr Rau and Dr Schmid of the Federal Ministry for Economic Cooperation, Dr Hartig of the Federal Ministry

of Economics and Finance, and Herr von Arnim of the Federal Ministry of Labour and Social Order, took part in a tour of Iran, India, Indonesia and Kenya at the invitation of the United Nations Population Fund and the International Parenthood Federation. The findings at this tour have aroused a wide echo in the press so that the German public is now well informed about problems of family planning and population development in these parts of the Third World.

Deputising for Federal President Gustav W. Heinemann who has fallen ill, Kai-Uwe von Hassel, President of Federal Parliament, on 15th/16th October 1971 attended the Persepolis and Teheran celebrations in commemoration of the foundation of the Persian Empire by Cyrus 2,500 years ago.

Rudolf Werner, member of the Bundestag and of the Council of the German Foundation for Developing Countries, visited Cairo in August and was received by the Egyptian Deputy Premier and Foreign Minister Riad.

The Federal Minister for Economic Cooperation, E. Eppler, has announced the publication in mid-October of a book entitled "Too Little Time for the Third World". In this he draws attention to the need for development aid. The publication is to help to secure the greatest possible measure of public approval for aid to the Third World.

**Help against Hunger:** The 'Week of Freedom from Hunger in the World' began according to tradition on the German Thanksgiving Day in October. It was organised by the German Committee for Freedom from Hunger in the World, a branch of the Food and Agriculture Organisation (FAO) on which the

political parties, industry, trade unions, the Churches and social and farmers' organisations are represented. Federal President Gustav W. Heinemann is its patron. It was the aim of this campaign in all parts of the Federal Republic to help by information and appeals for gifts to "safeguard the right to food of our fellow human beings". The receipts are to be used for projects to improve living conditions in the Third World.

In the first nine months of this year supporters of the Committee made about DM 400,000 available — 40 p.c. more than last year. After the successful campaign week it is expected that the million mark will be exceeded for the first time in 1971. The German Freedom from Hunger movement is currently participating in 29 development aid projects. Information and literature was supplied to over 6,000 groups and individuals in the Federal Republic this year.

**Capital and Technical Aid for South Vietnam:** The talks in August between a South Vietnam Government delegation and representatives of the Federal Ministry of Economic Affairs and Finance were concerned chiefly with the erection of the chemical combine of An Hao-Nongson for which the Federal Republic has promised DM 50 mn in capital aid. It is a joint German-French project, and the French financial participation amounts to Fr. 50 mn. Implementation of the project has been delayed until now by events of war. An abattoir project for Saigon was also discussed in Bonn.

Capital aid commitments for South Vietnam by the Federal Republic so far amount to DM 85 mn, of which DM 50 mn have been earmarked for the chemical combine which will in-

**The Balance of Payments of the Federal Republic in 1970**  
**Economic Relations with Developing Countries**  
**in and outside Europe**  
 (in mn DM)

| Item                                  | Developing Countries |                     |                |
|---------------------------------------|----------------------|---------------------|----------------|
|                                       | Total                | in Europe           | outside Europe |
| <b>Current Account:</b>               |                      |                     |                |
| <b>Foreign Trade</b>                  |                      |                     |                |
| Exports                               | 20,317               | 6,204               | 14,113         |
| Imports                               | 9,841                | 2,707               | 7,134          |
| <b>Services</b>                       |                      |                     |                |
| Receipts                              | 3,726                | 757                 | 2,969          |
| Expenditure                           | 6,037                | 2,194               | 3,843          |
| <b>Donations Unpaid Contributions</b> |                      |                     |                |
| Foreign Contributions                 | 47                   | 13                  | 34             |
| Domestic Contributions                | 4,878                | 3,189               | 1,689          |
| <b>Capital Account:</b>               |                      |                     |                |
| <b>long-term</b>                      |                      |                     |                |
| German investment abroad              | 2,241 <sup>1)</sup>  | 625                 | 1,616          |
| Foreign investment in FRG             | 374                  | 6                   | 368            |
| <b>short-term</b>                     |                      |                     |                |
| German investment abroad              | 159                  | - 30 <sup>2)</sup>  | 189            |
| Foreign investment in FRG             | 2,279                | 570                 | 1,709          |
| <b>Balance</b>                        | 4,223                | - 804 <sup>2)</sup> | 5,027          |

<sup>1)</sup> Owing to different statistical methods this figure cannot be compared with the evaluation of direct investment by the Federal Ministry of Economics and Finance.

<sup>2)</sup> Decline from level at end of preceding year = Deficit.

Source: Mitteilungen der Deutschen Bundesbank über die Zahlungsbilanz 1970 (German Federal Bank statements on the balance of payments in 1970).

clude a power station and a fertilizer plant. Two other projects will be supported with DM 20 mn, including DM 13.5 mn for an abattoir. Another DM 15 mn will be provided as commodity aid. German technical aid amounts to about DM 10 mn, most of which will be spent on a vocational school.

**Development Aid at German Trade Fairs:** The Federal Republic began in 1964 to assist developing countries which cannot afford the costs of participating in Trade Fairs but have products suitable for the German market. According to State Secretary Professor Karl-Heinz Sohn in the Federal Ministry of Economic Cooperation, the Federal Government had by the end of 1970 spent DM 3.1 mn on 223 grants to facilitate participation in Trade Fairs by developing countries. In 1971 DM 800,000 are available

for this purpose. Grants are as a rule made only for the cost of the stands which may vary between DM 12,000 and DM 20,000 according to size and importance of the event in question. Importance is attached however to the developing countries bearing part of the costs themselves. As in many developing countries Trade Fairs are not very clearly understood, it is especially important that extensive information should be supplied beforehand.

The participation of the developing countries proved successful this year both at the 'Partners in Progress' Overseas Import Fair in Berlin and at the ANUGA Food Fair in Cologne. At the Overseas Import Fair 550 firms from 52 countries in Asia, Africa and Latin America exhibited their goods. This Fair has proved its value as an excellent

marketing instrument for establishing new business contacts and activating old ones. Most of the firms from 27 developing countries which took part in the ANUGA Fair were also highly satisfied. Some of them sold on the first three days of the Fair as much of some of the items on offer as they otherwise produce in a whole year.

**Iron Ore Plant for Brazil:** A loan agreement involving DM 34 mn of capital aid was concluded on July 27, 1971, between Kreditanstalt für Wiederaufbau (KfW) (Reconstruction Loan Corporation) of Frankfurt, and Companhia Vale de Rio Doce (CVRD), the Brazilian iron ore mining and exporting company. According to KfW, the loan has been guaranteed by the Brazilian Government. It will be used for an iron ore dressing and washing plant to be supplied by a syndicate of German firms consisting of Klöckner-Humboldt-Deutz AG and Thyssen Stahlunion-Export. The plant is to be set up at the Canè mine in the State of Minas Gerais. The export potential of the iron ore mining industries of Brazil has been greatly increased in recent years by generous CVRD investments for enlargement of the ore transit port of Tubarao and on its own railway lines.

An extensive technical programme to discover further ore deposits and mineral resources has meanwhile begun in the State of Minas Gerais on the basis of agreements between Brazil and the Federal Republic of Germany which are directed at increasing ore production. Thanks to investments of this kind iron ore exports from Brazil are increasing. In 1970 they rose by about 30 p.c.

*Compiled from Government information data.*