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## Development spectrum

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# DEVELOPMENT SPECTRUM

**BfA Information for Development Countries:** The Bundesstelle für Auslandsinformation — BfA — (Federal Office for Foreign Trade Information) in Cologne has issued new information material for exporters and export promotion organisations in developing countries. The first batch comprises four self-contained memoranda on the import market of the Federal Republic of Germany in general and on German distribution channels, import regulations and entry levies.

The memoranda are intended as aids for the promotion of exports from the developing countries. The BfA has experienced a substantial increase in the number of enquiries reaching it from manufacturers and exporters in developing countries who would like to supply the German market. The new memoranda which are issued in several languages — German, English and Spanish versions are available now, and a French one is expected shortly — will make it much easier to deal with such enquiries. The memoranda will, besides, be made available to business circles in third world countries through the official German mis-

sions abroad, through the German Chambers of Foreign Trade and the export promotion offices of the developing countries.

This BfA information for import promotion supplements the established services in response to foreign enquiries about German importers, users, producers, licence holders, etc. In view of the growing interest shown by the developing countries for exchange of goods and services with the Federal Republic, the BfA has to cope with much more work in this field.

**Trade with Developing Countries outside Europe:** The trade of the Federal Republic of Germany with non-European developing countries increased in 1971 at an approximately equal rate in both directions. Imports rose by slightly over 8 p.c. to DM 19.1 bn and exports by just under 10 p.c. to DM 16.3 bn. Imports from developing countries in Asia expanded most strongly — by 26 p.c. — while the African developing countries recorded the highest rate of increase in regard to imports of German goods — 17 p.c.

The share of the developing countries in total German imports however declined further while their share in German exports was merely maintained. Since 1960 the proportion of total imports accounted for by developing countries has receded from 22.2 to 15.9 p.c. and that of exports from 18.7 to 12.0 p.c.

**German-French Development Aid Coordination:** German-French cooperation in the field of development aid has made substantial progress of late. It is reflected especially clearly by the growing number of joint and multilateral projects in the formerly French territories in Africa.

The coordination of development aid between Germany and France is not to follow a rigid pattern. The only limiting factor will be the political attitude to the governments of the developing countries. Besides, the European Development Fund is to play a more significant role as an initiator of joint projects in future. This is the outcome of a day of consultations between the Federal Minister for Economic Cooperation, Eppler, and the Secretary of State in the French Foreign Office, Yvon Bourges, in the Ministry for Cooperation in Paris on March 21, 1972. Such top-level talks are held twice a year, in Paris and Bonn in turn, in order to coordinate the results achieved and experience gathered by the experts of both countries at their monthly meetings and to initiate their practical application. Differences of opinion still exist on the issue of an international regulation of primary commodity prices which is demanded by France.

**Capital Investments in Nigeria and Sierra Leone:** The economic development of Nigeria and

**The Foreign Trade of the Federal Republic  
Total Trade and Trade with Non-European Developing Countries**

|      | Imports |  |         | Exports |  |         |
|------|---------|--|---------|---------|--|---------|
|      | total   | of which from<br>developing<br>countries | in p.c. | total   | of which from<br>developing<br>countries | in p.c. |
|      |         |  |         |         |  |         |
| 1960 | 42,723  | 9,500                                    | 22.2    | 47,946  | 8,979                                    | 18.7    |
| 1962 | 49,498  | 10,235                                   | 20.7    | 52,975  | 8,241                                    | 15.6    |
| 1964 | 58,839  | 12,043                                   | 20.5    | 64,920  | 9,194                                    | 14.2    |
| 1965 | 70,448  | 13,451                                   | 19.1    | 71,651  | 10,331                                   | 14.4    |
| 1966 | 72,670  | 14,124                                   | 19.4    | 80,628  | 11,245                                   | 13.9    |
| 1967 | 70,183  | 13,702                                   | 19.5    | 87,045  | 11,670                                   | 13.4    |
| 1968 | 81,179  | 15,582                                   | 19.2    | 99,551  | 12,900                                   | 13.0    |
| 1969 | 97,972  | 16,995                                   | 17.3    | 113,557 | 14,037                                   | 12.4    |
| 1970 | 109,606 | 17,684                                   | 16.1    | 125,276 | 14,904                                   | 11.9    |
| 1971 | 120,116 | 19,145                                   | 15.9    | 135,992 | 16,347                                   | 12.0    |

Sierra Leone is currently taking place with substantial participation by private enterprises as well as public institutions in the Federal Republic. Last year both countries on several occasions received German capital aid which was mainly used for importing essential goods for civilian consumption, extending the teletype network and implementing various development projects in Nigeria as well as for infrastructure projects and exploration for titaniferous minerals in Sierra Leone. Between 1952 and the end of June 1972 the FRG provided capital amounting to DM 30.0 mn net for Nigeria and DM 0.5 mn for Sierra Leone.

Recent commitments by German business firms for projects in these two countries, some of which are closely connected with the capital aid given, range from direct investment in the chemical and electrotechnical industries to joint enterprises in food production and electricity generation and exploration agreements in the extractive industries, especially for the search for mineral oils and titaniferous minerals. A favourable view is generally taken of the prospects for future investments.

**Collaboration between the Federal Government and ILO:** Improvements in the collaboration between the Federal Ministry for Economic Cooperation and the International Labour Office (ILO) have been agreed in a talk which Deputy Director General Blanchard of the ILO has had with State Secretary Professor Sohn in Bonn. The ILO and the Ministry will regularly exchange lists of proposed and current projects so as to facilitate their coordination.

When planning new major projects for technical cooperation in fields of interest to both sides, the ILO and the Federal

Ministry for Economic Cooperation intend to establish contact so as to avoid overlapping and duplication of effort and seek opportunities for collaborating and complementing each other's work. It is to be decided in each individual case whether and how projects can be planned and implemented conjointly. The world employment programme was mentioned as an example of work to be done together. There will be regular coordinating meetings between the officials concerned in both organisations.

**German Capital Aid:** The Federal Republic of Germany has recently concluded capital aid agreements with several developing countries. The Sudan has been promised capital aid of DM 55 mn to be used for importing urgently needed goods, modernising the railways and equipping a jute processing plant, and it has also been agreed to increase cooperation in the technical aid sector, in education, agriculture and in radio and television. A capital commitment of DM 2.85 mn has been made to Tanzania in the form of a participation in the Tanganyika Development Finance Co. Ltd. The East African Community has been given a DM 8.6 mn loan for the purchase of diesel engines by the East African Railways Corporation.

**Development Aid for Korea:** The Federal Republic is granting the Republic of South Korea capital aid totalling DM 35 mn in 1972, according to an agreement reached in talks which a Korean government delegation led by Deputy Minister Hwand of the Economic Planning Board has had with the Federal Ministry of Economics and Finance. General questions relating to economic cooperation, capital and technical aid were also discussed. The

negotiations were a sequence to the economic discussions in which a German government delegation engaged in Seoul a year ago.

Korea has been able to increase its exports to Germany from DM 46 mn in 1969 to DM 97 mn in 1971, that is by more than 100 p.c. The country is now interested in attracting more German direct investments. With this end in view the Korean delegation has had many conversations in Hamburg and Munich and been visiting German business firms.

**Trade between Germany and Chile:** The good exchanges between the Federal Republic and Chile declined in 1971. The Chilean copper shipments were nearly one-third lower by value than in 1970, in part owing to the price decline in the world market. The Federal Republic however continued to be the biggest buyer of Chilean copper.

The worsening of the foreign currency stringency caused the Government of Chile to curtail the issue of import permits sharply in 1971, and German products did not remain unaffected. Deliveries of machinery, technical equipment, means of transport and chemical primary products suffered most among German exports, and sales of investment goods on long-term credit came practically to an end. Nevertheless German industry was able to maintain its position as Chile's second largest supplier. The outcome of the debt refunding negotiations will be of crucial importance for future deliveries to Chile.

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*Compiled by the Department on Development Policies of the Hamburg Institute of International Economics.*