

Hamburg Institute of International Economics (HWWA) (Ed.)

Article — Digitized Version

Development spectrum

Intereconomics

Suggested Citation: Hamburg Institute of International Economics (HWWA) (Ed.) (1972) :
Development spectrum, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 07, Iss.
9, pp. 272-273,
<https://doi.org/10.1007/BF02929616>

This Version is available at:
<https://hdl.handle.net/10419/138698>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

DEVELOPMENT SPECTRUM

Development Aid through GAWI: By the end of 1971 the German Society for the Advancement of Developing Countries (Deutsche Förderungsgesellschaft für Entwicklungsländer – GAWI), which is working on development projects in less developed countries (LDCs) under the Technical Assistance programme, had sent about 3,500 specialists to 90 developing countries. All received assistance from GAWI headquarters. Work is currently being carried out on about 500 of approximately 2,000 commissioned projects, which involve a total expenditure of some DM 1.4 bn. At the end of 1971 1,353 experts were working on 296 such projects.

Agriculture and forestry, including fishing and veterinary services, are served by the largest group of specialists, followed by the crafts, trade and industry group. The medical services—doctors, nurses, medical-technical assistants and lecturers—rank third. Only slightly smaller are the groups of telecommunications engineers, information specialists, town and traffic planners and economic consultants. The rest is made up of specialists concerned with the most diverse occupations — ships' captains, football trainers, university dons, pest control officers, etc.

GAWI was founded in 1932 as a subsidiary of Deutsche Revisions- und Treuhand-Aktiengesellschaft under the name of Treuarbeit and was engaged on tasks in the public sector. Since 1957 GAWI has been in charge of Technical Assistance. Its present name was given to it in 1964.

GAWI's headquarters are in Frankfurt-Main; a liaison office in Bonn is in constant close contact with the relevant Federal Ministries. A staff of about

300 is employed in the FRG to create the prerequisites for successful work on the projects in the LDCs.

German-Brazilian Cooperation: A cooperation agreement was signed in Brasilia on June 6, 1972, by the Society for Mathematics and Data Processing (GMD) of St. Augustin near Bonn and the National Research Council of the Federative Republic of Brazil (CNPQ). It relates to research and development work, joint arrangement of lectures and mutual support for certain projects.

The coordinators appointed by the two parties to determine individually the practical measures to be taken have already gone into action. According to GMD information, the agreement is based on the Scientific-Technological Cooperation Treaty

concluded by the Federal Republic of Germany and Brazil in 1969. It also defines the terms on which scientists from both countries are to collaborate in data processing and in pure and applied mathematics.

Arab-European Bank: In Cairo it has been decided to set up an Arab-European Bank with the participation of 7 European and 16 Arab banks. The final protocol concerning its foundation was signed in Hamburg. The European partners are the Epic group and the Banca Commerciale Italiana. The new bank is based on a holding company in Luxembourg.

Branch banks will be established in Brussels and Frankfurt-Main. The institute in Brussels is to be equipped with a capital of bfr 150 mn and the one in Frankfurt with a capital

Volume of German Direct Investments in 1971

Region	up to 31. 12. 1970	up to 31. 12. 1971	Increase in p.c.
Europe	12,015.3	13,820.8	15.0
including:			
Industrial countries	10,910.6	12,437.6	14.0
Developing countries	1,104.5	1,382.9	25.2
including:			
Spain	884.7	1,107.3	25.2
Greece	116.1	143.1	23.2
Turkey	103.5	119.9	15.9
Africa	1,190.9	1,473.3	23.7
including:			
Industrial countries	188.0	241.7	28.6
Developing countries	1,002.9	1,231.6	22.8
including:			
Libya	438.7	445.2	1.5
Liberia	152.2	155.2	2.0
Algeria	51.8	51.5	- 0.6
America	7,137.4	7,549.6	5.8
including:			
Industrial countries	3,472.7	4,047.7	16.6
Developing countries	3,664.7	3,501.9	- 4.3
including:			
Brazils	1,470.8	1,649.4	12.1
Argentina	458.2	484.0	5.6
Mexico	300.6	352.7	17.3
Asia	560.8	691.6	23.3
including:			
Industrial countries	120.7	130.2	7.9
Developing countries	440.1	561.4	27.6
including:			
India	170.0	181.3	6.7
Iran	91.3	105.0	15.0
Israel	20.9	54.3	159.8

of DM 20 mn. Abd al-Mun'im al-Qaysuni who was an Egyptian Minister of the Economy and is now the chairman of the Egyptian International Banks will probably be the president of the new bank whose main object will be to procure capital for investment in the Arab world on a commercial basis. Funds are to be obtained also from Arab countries.

German Capital Aid: The Federal Republic extended its capital aid to the states of South America in June by concluding two more agreements, with Colombia and Peru. A government agreement under which the Federal Republic undertakes to grant Peru a loan of DM 82 mn for irrigation and fishing projects and for schemes in the health services and industry was signed in Bonn on June 23, 1972. Additional technical assistance has also been promised.

A capital aid agreement was concluded between the Federal Republic and Colombia in Bogota on June 14, 1972. The credits will total DM 58.5 mn, are to be repaid in 25 years and carry interest at 5 and 5.5 p.c. The funds provided will be used chiefly for improving the Colombian infrastructure. Power station projects, a phosphate factory and aeronautical installations will benefit.

Following bilateral negotiations the Federal Republic and Morocco in June arranged a capital aid agreement involving DM 75 mn and technical assistance for setting up a hotel training school at Agadir. The earmarked funds will be used to finance priority schemes in the framework of the Moroccan development plan. Industry and electricity generation will receive support.

It is the intention of the FRG to give Turkey another DM 190.9 mn in financial aid through the Turkey consortium of the OECD, according to a statement by the Federal Minister

for Economic Cooperation, Eppeler. Since the consortium was formed in 1963, the FRG has entered into commitments amounting to DM 1.71 bn. Including earlier disbursements the total is DM 2,268 mn. Turkey has received US \$ 2.65 bn of development aid from consortium members since 1963.

A German-Thai Seminar: The German Foundation for Developing Countries (DSE) in July invited prominent political and economic personages in Thailand to attend a seminar in the FRG. The seminar programme was arranged in conjunction with the National Development Ministry of Thailand. It is intended to combine theoretical lectures, practical demonstrations and exchanges of experiences with German experts in an effort to bring problems in the following fields into sharper focus: (1) Relations between central government and local administration, (2) public financial policy (i.e., promotion of exports by taxation and tariffs), (3) regional development planning (more particularly through encouragement of small industries and farming), (4) labour market policy. With 36 million inhabitants in an area twice the size of the FRG Thailand needs this help to fill the economic gap between the Bangkok conurbation and the rural regions, for the country is not naturally homogenous but geographically split into five distinct regions.

Multilateral Aid by the FRG: In 1971 the FRG provided multilateral aid totalling DM 1,188.5 mn to LDCs. This kind of aid amounted to 17.8 p.c. of the net total of all aid rendered. Multilateral public aid (allocations and capital subscriptions) accounted for DM 783.5 mn, i.e. 11.7 p.c. of the total net aid and 25.0 p.c. of the net aid from public resources.

The FRG's contributions to UN aid programmes rose in 1971 to

DM 204.6 mn, which was 38.7 p.c. more than in the preceding year. The Federal Government attaches great importance to measures aimed at making the UN development aid more effective. For this reason it gives special support to the work of the UNDP which at its 14th meeting, in June 1972, passed programmes for another 19 LDCs. It is the purpose of the country programmes to improve coordination between the aid measures of the various UN organisations for the developing countries and their efficacy.

Trade with North Africa: The FRG's total foreign trade (imports and exports) with the seven countries of Northern Africa in 1971 was 7.1 p.c. higher than in 1970. While FRG imports from these countries increased by 8 p.c. to DM 3,968 mn, exports to North Africa rose by 4.9 p.c. to DM 1,518 mn. The seven countries accounted for 3.3 p.c. (in 1969: 3.4 p.c.) of all FRG imports and 1.1 p.c. (in 1969: 1.2 p.c.) of the exports. The FRG's foreign trade with North Africa ended 1971 with an import surplus of DM 2,451 mn, against DM 2,228 mn in the preceding year.

Most important among North African countries as a supplier for the FRG was Libya, which because of its importance as a source of crude oil (DM 2,329 mn) occupies a special position in the FRG's trade. Imports from Algeria, the second-largest supplier, also consisted exclusively of mineral oil (DM 923 mn). The goods exchanges between the FRG and Egypt showed a downward trend; FRG imports from Egypt fell by 19.9 p.c. to DM 166 mn and FRG exports to Egypt by 21.1 p.c. to DM 354 mn.

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