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DEVELOPMENT SPECTRUM

Annual Report of DSE: Deutsche Stiftung für Entwicklungsländer – DSE (German Foundation for Developing Countries) has added a retrospection of its activities during 12 years to its annual report. During this period more than 300 international seminars and meetings have taken place for more than 5,000 managers from less developed countries (LDCs). A percental analysis by groups of subjects shows the following picture: administration (27 p.c.), agriculture and forestry (17 p.c.), trade, industry and infrastructure (16 p.c.), education and training (14 p.c.), general economic development problems (11 p.c.), social development (10 p.c.), development aid as a problem of donor countries (5 p.c.).

Another important field of DSE activities is the organisation of one-to-two-year training programmes for agricultural experts and public administration officials. The Foundation takes it as a success that of 2,400 participants only 11 did not return to their native countries. More than 75 p.c. of the participants in courses took jobs corresponding with the knowledge and experience acquired in the Federal Republic.

In 1971 the Foundation's budget funds amounted to DM 17.4 mn, which is about 2.3 p.c. of total technical aid (DM 721 mn). These funds made it possible to organise meetings with more than 3,400 guests from developing and industrial nations and to arrange 64 international seminars with 1,700 participants.

Thailand and Malaysia: A protocol on the utilisation of credit aid has been signed after German-Thailand negotiations in September 1972. The Federal Republic of Germany will place

DM 10 mn at the disposal of the Thailand Industrial Development Bank. Of this sum total DM 5 mn are earmarked for the extension of the power network in rural areas. The credit will bear interest at 2 p.c., has a period to run of 30 years and there is no redemption for 10 years. The Thailand delegation led by the Secretary General of the National Economic Development Board, Renoo Suvannasit, had further talks with the Reconstruction Loan Corporation, the German Development Company and the Federal Association of German Industry.

The relations between the Federal Republic and Malaysia were the subject of discussions of a Malaysian government delegation at Bonn, headed by the Minister of Finance, Tun Tan Siew Sin. Moreover, international monetary and economic policy problems were discussed,

considering specially a better cooperation between Europe and the South Asian developing countries.

German-Latin American Trade: In the first half of 1972—according to the official foreign trade statistics—the Federal Republic's trade transactions with Latin American countries reached a total turnover of DM 5,374 mn as compared with DM 5,030 mn in the previous year's corresponding period. Thus the increase amounted to DM 344 mn or 6.8 p.c.

These countries' share in the Federal Republic's total foreign trade increased slightly from 3.7 p.c. to 3.8 p.c., while imports remained unchanged at 4.2 p.c. Brasil was again the Federal Republic's most important trade partner among the Latin American countries. This country's share measured by the ex-

German-Latin American Trade in the First Half of 1972

(in mn DM)

Producer or Consumer Country, resp.	Imports			Exports		
	1971	1972	growth in p.c.	1971	1972	growth in p.c.
Brazil	536	674	25.7	656	921	40.4
Argentina	347	382	10.1	381	387	1.6
Venezuela	172	224	30.2	269	311	15.6
Mexico	91	94	3.3	356	371	4.2
Chile	354	321	- 9.3	134	136	1.5
Peru	221	229	3.6	139	123	- 11.5
Columbia	201	193	- 3.9	150	133	- 11.3
El Salvador	101	89	- 11.8	29	27	- 6.9
Ecuador	78	76	- 2.6	65	46	- 33.2
Panama	107	56	- 47.7	58	62	6.9
Guatemala	68	68	0.0	50	40	- 20.0
Costa Rica	48	73	+ 91.8	35	31	- 11.4
Honduras	66	52	- 21.2	13	13	0.0
Nicaragua	37	34	- 8.1	21	17	- 19.0
Uruguay	56	25	- 55.4	39	23	- 41.0
Bolivia	24	20	- 16.6	22	23	4.5
Cuba	7	9	28.6	29	26	- 10.3
Paraguay	10	17	70.0	15	14	- 6.0
Dominican Republic	7	7	0.0	28	23	- 17.9
Total of Latin American Countries	2,533	2,643	4.3	2,496	2,731	9.4
Total of the Federal Republic's foreign trade	59,990	63,415	5.7	66,886	71,831	7.4

change of goods (imports and exports) with all countries of this area amounted alone to 29.7 p.c., while Argentina with 14.3 p.c. and Venezuela with 10 p.c. held the second and third places, followed by Mexico with 8.6 p.c. and Chile with 8.5 p.c. Peru and Columbia, on the other hand, obtained only shares of 6.5 p.c. and 6.1 p.c., respectively. The shares of the remaining Latin American nations lay below 5.0 p.c. each.

Indian Exports of Bicycle Parts:

The boom in bicycles to be observed particularly in the Federal Republic has also involved the Indian bicycles producing industry. According to information given by Indian quarters at the International Bicycle and Motorcycle Exhibition at Cologne, the Indian exhibitors could book an unexpectedly big number of orders owing to their competitive prices and the good quality of their products.

Now the Indian producers are planning during the next three years to export bicycle parts as e.g. gear-changes to the Federal Republic. India also invited the cooperation of German firms, which could produce certain bicycle parts more cheaply in LDCs than at home.

Complete bicycles produced in India are almost exclusively purchased by other Asian countries and the USA. India has an annual production capacity of more than 2 mn bicycles. For 1972 the Indian bicycle industry expects an export volume of about DM 30 mn. An export of motorcycles is not yet intended since India's annual production has so far only reached 140,000 units.

EEC Development Strategy:

A conference of the Ministerial Council of the EEC convened at Brussels. It was the first time that Ministers in charge of development aid participated. A

memo submitted by the European Commission in February was the subject to be discussed.

The concrete suggestions of the submitted paper refer to the LDCs' export promotion measures, a gradual abolition of EEC consumption taxes on tropical products, protection of marks of origin for foodstuffs, a reduction of the LDCs' indebtedness by better conditions of development aid granted, assistance to regional integrations and an increase of public aid measures.

In 1974 at the latest the EEC will be involved in concrete discussions of these subjects. At the end of January 1975 the association agreement with 18 African countries, "Yaounde III" and treaties with three East African states will expire. Up to this date also the 18 independent states of the British Commonwealth must have decided how they intent to shape their relations with the EEC. Possibly they are also aiming at a closer association. The present exchange of opinions should therefore strive for a common attitude of the EEC members towards problems of development policy.

German-Brazilian Mineral Site

Research: A German-Brazilian Group of prospectors has discovered the supposedly largest uran reserves of the world in the Brazilian state of Minas Gerais. The discovery was made at a site about 19 miles south of the township of Belo Horizonte. According to the Brazilian Minister for Energy and Mining, apart from uran also sizeable reserves of iron ore, gold and diamonds were discovered in the same province.

Under an agreement made in June, 1970, on mutual geological and geophysical mineral site research, the German-Brazilian commission of experts has been

working in the states of Minas Gerais and Espirito Santo. Apart from these investigations it is, outside the agreement, also envisaged mutually to exploit the worthwhile mining of ores.

FAO Conference:

The 8th FAO Regional Conference for Europe was held in Munich from September 18 to 23 last. The main point on the agenda was the consideration of a FAO study on the subject of "Adaptation of European Agriculture and Agriculture in Developed Countries of other Continents". The discussion was about the degree of self-sufficiency in developed countries which, seen from the point of view of development policy, is considered too high. If for instance those countries were to reduce production by 2 p.c., this would enable LDCs to step their agricultural exports up by US \$ 4 bn.

The claim for a smaller degree of self-sufficiency, supported, as it was, by hints at uneconomical domestic production (high subsidies, etc.), was contested. The representatives from the industrial countries feared for the *raison d'être* of smaller production units. There was, however, agreement in principle among participating countries that it was foremostly the task of agricultural policy to orientate production on viable full-time units. The aspects of farmers' income in non-economic units, thereagainst, should in the first place be treated as social problems. But all the same, the side-by-side existence of full-time units and those looked upon and worked only as a side-line should also in future not be lost out of sight.

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