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DEVELOPMENT SPECTRUM

Kreditanstalt für Wiederaufbau: Kreditanstalt für Wiederaufbau (Reconstruction Loan Corporation) has granted loans amounting to DM 50 bn between its foundation date and the middle of 1972. Almost half of this sum total, i. e. DM 23 bn consisted of credits to less developed countries (LDCs). Already in the fifties the Corporation had — by granting long-term credits — enabled exports of investment goods to LDCs, above all of machinery and electrotechnical products.

In the early sixties another form of credits was added, when the Federal Government commissioned the corporation to handle German capital aid to LDCs, i. e. that part of German development aid which is granted in the form of credits on favourable interest terms and long periods to run, earmarked for the financing of investments and deliveries of goods. Up to now main points of emphasis have been industry, transport,

energy and water supply as well as telecommunications. Mining, agriculture, air lines and health service have been of smaller importance. Between early 1971 and the middle of 1972 the LDCs have been granted funds to the tune of DM 2.8 bn by the Reconstruction Loan Corporation, while DM 1.5 bn of this sum total has been granted within the scope of capital aid.

German-Mexican Partnership Exhibition: From June 1 to June 6 the German-Mexican Partnership Exhibition (Feria Industrial Mexicano-Alemana FIMA 73) will take place in the Mexican capital. This exhibition is being organised by the German-Mexican Chamber of Industry and Commerce in cooperation with the German Embassy. The representation of German-Mexican economic cooperation will be the special feature of this exhibition.

Under the leading idea of this exhibition, cooperation, it is supposed to present the German contribution to Mexico's industrial and technological development, particularly to the expansion of the country's export capacity. Besides, this exhibition will illustrate the development of the exchange of goods between both countries and the chances for an expansion of Mexican exports to the Federal Republic of Germany. Therefore not only suppliers of German machinery and equipments but also of German technology will be represented. Furthermore the German contribution to the Mexican development through direct investments (subsidiaries and joint ventures) and the employment of German technology and capital goods by Mexican companies will be highlighted. The exhibition will also make it clear that this inflow of German

technical experience is being completed by the German investors' efforts to train Mexican skilled labour in Mexico and in the Federal Republic.

Financial Aid of DM 280 mn for India: The Government of the Federal Republic of Germany has granted India financial aid of DM 280 mn for 1972/73. This financial aid comprises the following items: aid amounting to DM 60 mn for the payment of goods and services; capital goods aid of DM 30 mn for imports of capital assets, which have to be approved by the Indian Interministerial Council; project aid of DM 30 mn for projects which have to be selected jointly and internationally invited to tender; and financial aid of DM 20 mn to Indian development banks for the promotion of small and medium-sized Indian enterprises. Besides debts service and conversion facilities amounting to DM 140 mn are granted.

The sum total of debt service alleviations comprises the conversion of liabilities by respite payment of amortisation rates, that within the scope of certain loans given by the Federal Republic are or will become due between April 1, 1972, and March 31, 1973, as well as rebatements of interest for the period between April, 1972, and March 31, 1973, and liquidity promotion for the financing of Indian requirements (tied to deliveries). The credits granted by the Federal Government for all these forms of aid have a period to run of 30 years and 10 redemption-free years.

Rice for Mauretania: The West African state of Mauretania has not much arable land suited for cultivation. The major part of its area is steppe and desert located at the border of the Sahara. The agrarian population is con-

Foreign Aid of Kreditanstalt für Wiederaufbau (Reconstruction Loan Corporation) to LDCs

(Promises up to June 30, 1972, DM in mn)

Capital aid	14,556.7
Capital aid tied to projects	10,430.2
Including	
Industry	3,991.3
Transport	2,407.3
Energy supply	1,376.0
Water supply	1,213.1
Telecommunications	546.9
Shipping	491.8
Housing, science, education	461.6
Mining	209.6
Agriculture	148.7
Aviation	137.1
Health service	75.7
Capital aid not tied to projects	4,126.5
Other contributions	8,416.5
Including	
Industry, mining, agriculture	4,678.1
Water and power supply	1,495.1
Transport and telecommunications	942.1
Others	1,301.2
Total	22,973.2

centrated in areas along the coast and the bank of the Senegal-river, growing millet as its main food.

With the aid of the European Development Fund 480 hectares of arable land are to be cultivated for the growing of rice on the northern bank of the Senegal. The Fund provided about DM 2.5 mn for the irrigation of arable land, protection against floods and consultation of farmers. This way new vacancies for 2,450 peasants will be created. One vacancy is estimated to cost DM 1,000. The target are two rice crops annually yielding 7 tons per hectare yearly. This project is to be realised within four years.

Training Centres in Ghana: On November 14, 1972, at Biriwa a tract of land has been taken over for the building of a school for the training of craftsmen in the agricultural sector. Representatives of the Ministry for Education and Training, the Ministry for Social and Community Development, the German Ambassador and the Local Governor, C. F. Bernasko, attended the ceremony. In his welcome address the German Ambassador pointed out that the Biriwa Community Development Project would have not succeeded without the active cooperation of Ghana's population. With regard to the new school it is therefore also urgently required that this project will be supported by the good will of all those concerned.

The Regional Commissioner stated that the industrialised countries' development aid will only be successful if it is adjusted to the intentions and interests of the receiving country. In Biriwa with German aid fishing-vessels were repaired and provided with fishing-nets and engines. Within the framework of a village development programme sanitation was intro-

duced and schools as well as an infirmary were built. Craftsmen for house-building in rural areas are to be trained in the planned training centre. Later this centre will be extended for vocational training in other fields.

Development Aid in Algeria: After the resumption of diplomatic relations between the Federal Republic of Germany and Algeria at the end of 1971, after an interruption of seven years, government negotiations on German development aid to Algeria took place again in December 1972. In these negotiations development efforts initiated already last year were stipulated by contracts on capital aid and technical aid. In 1972 DM 70 mn were provided as capital aid, earmarked mainly for industrial projects in connection with agriculture and irrigation.

Within the framework of technical aid three Algerian requests concerning certain projects have been granted: consultation on the replacing of vineyards by other cultures, as e. g. the cultivation of grain, vegetables and fruit in the fertile Mitidja-plain, consultation on forestry problems in the Aurès-mountains, and consultation on expansion and modernisation of the artificially irrigated cultivation in the Algerian Sahara-oases. About 18 to 20 German experts will probably be required for technical aid projects in 1973.

German Development Service: During 1973 Deutscher Entwicklungsdienst DED (German Development Service) will end its work in India and its last development assistants will return. These activities had started in 1964 and were mainly directed towards the training of craftsmen and technicians, as well as of experts in the fields of health service, community development and agriculture. Its partners

were public authorities as well as private and church organisations.

One of the main reasons for this decision of DED is that it is just India which has enough experts who have the same educational level as the development assistants. In view of the big number of unemployed in almost all vocations it cannot be excluded that the foreign assistants favour the undesirable trends in the labour market by taking jobs away from natives.

10th Anniversary: Zentralstelle für Ernährung und Landwirtschaft (Central Agency of Food and Agriculture) at Feldafing (near Munich), a department of Deutsche Stiftung für Entwicklungsländer (German Foundation for Developing Countries), is celebrating its 10th anniversary. The purpose of its establishment had been the coordination of the Federal Government's numerous organisations in charge of agricultural aid. Its main objective had been the preparation and additional training of agricultural personnel.

At present the Agency emphasises most its tasks connected with the further training of technicians, consultants, trainees, scientists and administrators coming from the Third World. But it is also active in the training of German agrarian experts working in the partner countries. The Central Agency will obtain even more importance, extension and intensity with the transition to so-called "sur-place" measures as well as with the growing importance of the promotion of a worldwide exchange of experiences in the agricultural sector.

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