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DEVELOPMENT SPECTRUM

EC-Food Aid Programme: The EC-Commission recommended a comprehensive food aid programme to the Council of Ministers, which exceeds by far the present EC-obligations within the International Agreement on Food Aid. Basing on calculations of the Food and Agricultural Organisation, FAO, the Commission apprehends one of the worst famines in the less developed countries (LDCs) since World War II. The population explosion threatens to overtake the "green revolution", that, moreover, loses effectiveness because of higher mineral oil prices and the crisis of fertilizer supply caused by them. In view of this precarious situation the EC-Commission suggests that till 1976 the EC should supply free of cost, as an annual minimum obligation, 1.7 mn ts of wheat, 80,000 ts of milk powder, 45,000 ts of butter oil, and 10,000 ts of sugar. The costs of the programme are estimated at DM 73 mn to DM 109 mn. The foodstuffs are to be given the governments of the famishing countries free of charges, but the authorities are supposed to sell the food in their countries. The proceeds are to be earmarked for agriculture.

EC-Funds for Development Projects in the Associated Countries: The European Development Fund provided a total of 25.8 mn units of account for development projects in the associated countries. Of this sum total 21.5 mn are non-repayable allowances and 4.38 mn are loans on special conditions.

The Republic of Zaire has been granted 7.65 mn units of account for the building and equipping of a regional hospital at Goma, which will have a capacity of 300 beds and a nursing school for 80 to 90 trainees. A subsidy of 1.44 mn units of ac-

count was provided for the building and first equipment of a drivers' school on Aruba on the Netherlands Antilles.

The extension of the Curaçao airfield is financed by the European Development Fund with 5.04 mn units of account. Of this sum total 4.38 mn units of account are granted as a loan on special conditions with a period to run of 30 years — 10 years of which are free of redemption — and an interest rate of 3 p.c. This airfield extension is to serve the development of tourism.

In Senegal the Development Fund participated in the construction of a viaduct over the Casamence-river at Ziguinchor. This project serves to ease the traffic on the ferry at present in use. Subsidies amounting to a total of 4.6 mn units of account have been granted for the extension of a road in Upper Volta.

German-Indonesian Cooperation: Early in March German-Indonesian government negotiations on the two countries' development policy cooperation took place in Jakarta. The particular subject of these negotiations was German capital aid during the first year of the new Indonesian five-year-plan that came into force in April 1974. West Germany's capital aid promises to Indonesia amounted to DM 160 mn for 1973 and to DM 145 mn for 1972. Including aid for 1973 total German aid promised Indonesia runs to about DM 1 bn.

The Federal Republic of Germany thus ranks among the most important donor countries beside the USA, Japan and the Netherlands. West Germany is of equal importance as supplier. Behind Japan and the USA, Indonesia purchased most prod-

ucts in terms of value in West Germany. They consisted mainly of machinery, vehicles and chemical products.

As a purchaser of Indonesian products West Germany in 1971 ranked fifth only behind Japan, the USA, Singapore and the Netherlands. The Federal Republic purchases mainly raw materials and foodstuffs in Indonesia. This country's second five-year-plan is to extend the range of products and to contribute to export diversification.

German Investments in Oil Producing Countries: The Federal Government is prepared to promote private investments in mineral oil producing countries in order to secure the energy supply of West Germany. For this purpose Bonn strives for the conclusion of agreements on the protection of investments. Such an agreement exists already with the Iran. Moreover, the Government is prepared to apply its general promotion instruments for investments in LDCs also to the oil countries.

Besides, the relations with these countries are to be fortified through technical aid. One step in this direction are the discussions between Libya's Prime Minister Djalloud and the Federal Minister for Economic Cooperation, Dr Eppler, about the chances for the conclusion of a framework agreement on technical aid. According to Dr Eppler's conceptions German experts would be employed in Libyan development projects and paid by Libya. Projects in question are those of trade and industry, telecommunications and agriculture.

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