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DEVELOPMENT SPECTRUM

Training also for Lower Management: The City of Bremen, West Germany's second most important export harbour, intends to expand the promotion of training for management personnel from LDCs. So far the seminars for export promotion concentrated on the upper management. In future, however, the middle and lower management is to be included to a larger extent.

At present the teaching schedules are worked out for the required training programmes. As with the present programmes, the support by Bremen firms for the replanning of the programmes is not to be dispensed with. The programmes are financed from public development aid funds. This development aid initiative concentrates considerably on the fishery sector.

Besides the promotion of fishery techniques the handling of the catch of fish to meet the conditions of exports is the main subject. This is of particular importance in this field as well as in other raw material sectors, because mainly semi-finished and finished products are to be exported. In order to achieve these processing techniques the LDCs require a cadre of foremen, masters and middle management personnel. In future Bremen will devote itself to this task within the scope of its training programmes.

The Federal Republic's Cooperation with the Soudan: The Federal Minister for Economic Cooperation, Egon Bahr, met the Sudanese President Numeri and high-ranking government representatives to discuss development policies. Moreover, during his eight-days tour of the Soudan he visited different German

development projects. According to the Ministry, the Federal Republic's cooperation with the Soudan aims mainly at securing the Soudan's self-sufficiency regarding basic foodstuffs, the reduction of its dependence on imports and the extension of its infrastructure.

From 1974 on, after the rehabilitation of German development policy, German capital aid funds flow mainly into the Sudanese transport sector, particularly the railways, while in former years it concentrated above all on the energy sector. Until the middle of 1974 the Federal Republic promised the Soudan capital aid credits totaling DM 253.6 mn, DM 65 mn of this sum total for 1974 alone.

The emphasis of the current and future technical aid is on the agricultural sector which receives 40 p.c. Within the framework of technical aid, for which the Soudan was promised a total of DM 53.2 mn until October, 1974, training and the medical sector are important, too.

Agricultural Aid: In 1975 the Federal Republic intends to double its contribution to the promotion of the LDCs' agriculture. The Federal Minister of Food, Agriculture and Forests, Ertl, told the World Food Conference in Rome that the Federal Government will earmark \$ 400 mn for this purpose. Minister Ertl characterised the increase of the Third World countries' own production as the basic prerequisite to the struggle against the worldwide food crisis. Therefore it would be a bad prescription to cover the food demand of these countries by raising the industrial nations' food production.

In this context the Federal Government plans an improved

agricultural cooperation with Iran. This country, which intends to modernise its agriculture, after the good results of its cooperation with the West German industry, is interested in German agricultural know-how. There is an opportunity to establish German-Iranian corporations in the agricultural sector. Iran is to provide the capital while the Federal Republic will supply its know-how.

Short-term Dispatching of Experts: Looking for suitable new forms of technical aid accepted by the partner countries, the Federal Government developed the new concept of "short-term" experts and put it to use in an agreement with India. This agreement bases on the fact that India disposes of a sufficient number of qualified experts. Therefore a long-term dispatching of German consultants, e.g. for agricultural projects, will not be as necessary as formerly. There is still a demand, however, for highly qualified consultants who initiate for a short period Indian experts into projects of a higher scientific and technical quality. This shall be the task of "short-term" experts who may stay abroad up to six months. The activities of these experts may comprise consultancy research and development, the operation of seminars or the improvement of the utilisation of industrial capacities. Their short-term employment is mainly to be devoted to the solution of problems, not so much to the establishing and control of projects. After the conclusion of the experts' activities abroad the proper German and Indian quarters will receive a report from the experts. Their experiences laid down in this report are to be considered when the pool of "short-term" experts will

be extended. The Federal Government hopes for agreeing on similar concepts with other LDCs as soon as in these countries the prerequisites required for such a procedure are also given.

Cartel Formation for Raw Materials: At best with a few products only will it be possible to concentrate supplies in a way effecting prices and quantities in accordance with the example of the mineral oil cartel. This is the result obtained by an expert group of the European Community. Such a cartel formation is conceivable only for phosphates, manganese, wolfram, chromium, tin and zinc.

Morocco supplies 80 p.c. of the world production of phosphates and has already raised the world market price by announcing further price increases. LDCs, whose food production depends considerably on the availability of cheap fertilizers, are particularly involved.

In spite of the fundamental political differences between the few important producers, i.e. Soviet Union, South Africa, China, North Korea and Rhodesia, the prices of manganese, wolfram, platinum and chromium could increase in future through "tacit agreements". Magnesium, mercury, molybdenum, nickel and lead are among the raw materials which are relatively

unproblematic for the EC. In the case of these products the Community could either supply itself (Norway: molybdenum) or else surplus production and consumption declining in the long run exclude a successful cartel formation.

In spite of copper supplies being secured for 50 years only, exaggerated price increases could be limited by new supplies entering the market. The comparative scarcity of the raw material tin and the increasing shifting of its production to less important producer countries should lead to higher prices. The present tin prices, quadrupled through artificial shortage and exaggerated speculation, will hardly stay on this level in the long run, since the development of hitherto unutilised deposits in Ireland and Greenland is to be anticipated. Finally the EC-countries could increase their participations in European bauxite deposits in Scandinavia.

German-Saudi Arabian Cooperation: The Federal Minister of Economics Friderichs visited from Nov. 4 to 7 King Feisal and his Government for discussions. The German delegation consisted of government officials and representatives of German firms leading in the fields of industrial construction, i.e. of plant and equipment, of the iron and steel producing industry, the

building trade, the chemical industry, the mineral oil industry and of consultancy firms. The discussions concentrated on the problems of an improved future cooperation between the two countries, particularly the collaboration between German and Saudi Arabian firms. The negotiations were satisfactory for both partners and will probably lead to a new form of development policy, i.e. joint bilateral aid. Thus it is examined to what extent Arabian capital and German know-how may operate joint projects in the Republic of Soudan.

Geologists Perform Development Aid: On the occasion of the 126th anniversary of Deutsche Geologische Gesellschaft (German Geological Association) the public was informed to what extent geologists give the required aid within the scope of development aid. Thus e.g. German geologists

- ☐ discovered deposits of tin, wolfram, lead and other metals as well as mineral oil in Birma;
- ☐ found copper and nickel deposits in Brazil;
- ☐ discovered iron ore in Iran;
- ☐ improved the economic situation of Turkey by finding large lignite deposits;
- ☐ opened up water supplies indispensable for the economic development of Argentina, Cameroon and Greece.

These examples and many others show that many raw material deposits so far were unknown or not utilised, respectively, due to limited geological preparatory work.

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

Distribution of World Raw Material Reserves by Group of Countries

Raw Material	Western Industrial Countries		East-bloc	LDCs
	total	West Europe		
Mineral oil	10	2	13	77
Tin	11	3	27	62
Natural gas	26	9	35	39
Lignite	28	3	70	2
Bauxite	33	4	11	56
Copper	37	4	15	48
Iron	46	5	25	29
Hard Coal	55	19	40	5
Lead	70	9	14	16