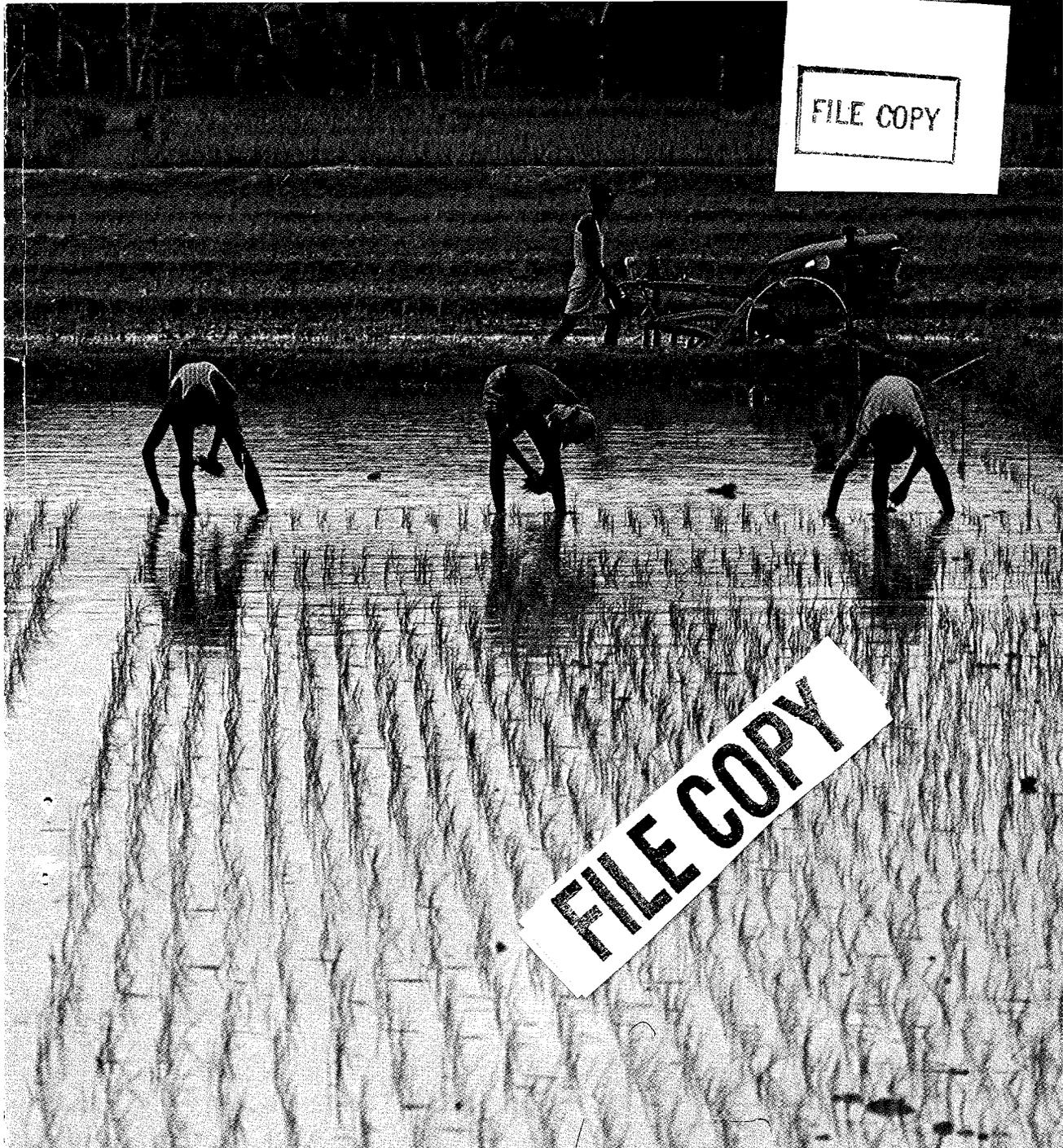


“ World Bank Annual Report 1974 ”

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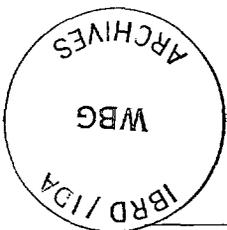


The World Bank Group includes the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), and the International Finance Corporation (IFC). These institutions help to raise standards of living in developing countries by providing financial and technical assistance. The International Centre for Settlement of Investment Disputes (ICSID), sponsored by the Bank, offers a mechanism for solving disputes between governments and foreign investors.

Front cover: Transplanting rice in Bangladesh.

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The Executive Directors of the International Bank for Reconstruction and Development and the International Development Association have had prepared this Annual Report for the fiscal year July 1, 1973, to June 30, 1974, in accordance with the By-Laws of the two organizations. Mr. Robert S. McNamara, President of the Bank and the Association and Chairman of the Executive Directors, has submitted this Report, together with accompanying administrative budgets and audited financial statements, to the Boards of Governors. The Annual Reports of the International Finance Corporation and the International Centre for Settlement of Investment Disputes are published separately.

The Record for Ten Years—1965-74

Amounts in US\$ millions

	Fiscal Year									
	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
World Bank										
Operations Approved	39	37	46	44	82	69	78	72	73	105
Loan Amounts ⁽¹⁾	1,023	839	777	847	1,399	1,580	1,921	1,966	2,051	3,218
Countries	27	29	35	31	44	39	42	40	42	49
Disbursements ⁽²⁾	606	668	790	772	762	754	915	1,182	1,180	1,533
Total Income	267	292	331	356	410	504	578	646	758	929
Net Income	137	144	170	169	171	213	212	183	186	216
Total Reserves	895	954	1,023	1,160	1,254	1,329	1,444	1,597	1,750	1,772
Borrowings: Total	598	288	729	735	1,224	735	1,368	1,744	1,723	1,853
Borrowings: Net	250	64	503	222	698	299	819	1,136	955	990
Subscribed Capital	21,669	22,426	22,850	22,942	23,036	23,159	23,871	26,607	30,397	30,431
Member Countries	102	103	106	107	110	113	116	117	122	124
Professional Staff	532	667	734	767	961	1,170	1,348	1,516	1,654	1,752
IDA										
Operations Approved ⁽³⁾	18	12	17	16	29	50	51	68	75	69
Credit Amounts	309	284	353	107	385	606	584	1,000	1,357	1,095
Countries	11	8	13	14	28	33	34	38	43	41
Disbursements	222	267	342	319	256	143	235	261	493	711
Usable Resources, cumulative	1,593	1,682	1,767	1,807	2,176	3,182	3,343	4,204	7,019	7,433
Member Countries	94	96	97	98	102	105	107	108	112	113

⁽¹⁾ Excludes loans to IFC of \$100 million in FY1967, \$100 million in FY1970, \$60 million in FY1972, \$40 million in FY1973, and \$110 million in FY1974.

⁽²⁾ Excludes disbursements on loans to IFC.

⁽³⁾ Joint Bank/IDA operations are counted only once, as Bank operations.



Summary and Background of the Year's Activities

This Report reviews the activities of the World Bank and the International Development Association (IDA) during a year of momentous change in the international economy. The period has been marked by a major upheaval in global economic relationships, the implications of which are still unfolding. Through the resulting confusion and controversy, one point is clear: the prospects for the economic and social progress of a large number of developing countries have been seriously jeopardized.

The jeopardy is greatest for those that are poorest. Without a major effort by the international community, 800 million people around the world can expect almost no improvement in their conditions of life for the rest of the decade. For hundreds of millions more, the improvement will at best be meager.

Much of the World Bank's attention during the year has been directed to finding ways in which it, and the international community of which it is a part, might help to meet this challenge. The Bank has been adapting its operations and activities to the needs of its members, as it strives to make a more effective contribution to development in the very different world that is now evolving. It should be stressed, however, that the Bank's historical role as an intermediary for incremental capital flows to the developing countries will be maintained, and that the basic principles of financial prudence, high standards and management efficiency will be continued.

The feature of the year's statistical record is that there has been another substantial expansion in financial and technical assistance. The World Bank Group as a whole approved lending and investment commitments totaling \$4,517 million, or \$962 million more than in fiscal 1973. Of the former total, the Bank accounted for \$3,218.4 million; IDA for \$1,095.2

million; and the International Finance Corporation (IFC) for \$203.4 million (for further details, see IFC's Annual Report). In addition, the Bank made two loans totaling \$110 million to IFC.

Several records were established. The Bank's borrowings rose to \$1,853 million, against \$1,723 million in fiscal 1973. Within these totals, the share of the petroleum-exporting countries was \$565 million, against \$216 million. The Bank's disbursements rose by 30% to \$1,533 million, and IDA's by 44% to \$711 million. The Bank's net income, at \$216 million, was \$30 million higher than in the previous year. The number of Bank and IDA projects approved was 174, compared with 148 in fiscal 1973. The significant increases in dollar volume of commitments and number of projects for the Bank and IDA (27% and 18%, respectively) were achieved in a year in which total staff growth was 8% and the increase in combined administrative expenses in real terms was 9%.

As expected, the resources available to IDA, including those provided by the Third Replenishment, were almost fully committed by June 30, 1974. Under the agreement on the Fourth Replenishment reached in Nairobi in September 1973, 24 contributing members of IDA, plus Switzerland, decided to take steps to increase IDA's resources through a Fourth Replenishment amounting to the equivalent of \$4,500 million for the fiscal years 1975 to 1977. It was understood, however, that no member would be committed to contribute until approval, where necessary, had been obtained from its legislature. The shares of the contributing countries were as shown in the table on page 7.

Compared with the contributions under the Third Replenishment, Japan's share of the total was to rise from 5.9% to 11%, and Germany's from 9.6% to 11.4%. The U.S. share was to decrease from 40% to 33.3%.

At the time the Fourth Replenishment agreement was reached, it was considered unlikely that the necessary legislative action would be completed by June 30, 1974, or by any date soon thereafter. Accordingly, the President of the World Bank Group suggested during the 1973 Annual Meeting that an emergency plan of action should be agreed upon promptly in

A mother and her son are dwarfed by stalks of maize on a farm near Lilongwe in Malawi. IDA is helping finance agricultural development projects in the country.

Note on dollar amounts

Dollar amounts used in the text of this Report for capital of the Bank refer to United States dollars of the weight and fineness in effect on July 1, 1944, while those used for subscriptions and contributions to IDA refer to U.S. dollars of the weight and fineness in effect on January 1, 1960. For all practical purposes, these are the same. Unless otherwise specified, all other amounts in U.S. dollars refer to current dollars. One dollar as used for Bank capital and IDA subscriptions and contributions equaled approximately 1.20635 current dollars, as of June 30, 1974. For more detailed discussion, see General Notes to Statistical Annex; Note A, Appendix G, Bank financial statements; and Note A, Appendix F, IDA financial statements.

order to provide IDA with commitment authority until the full agreement came into effect.

At the end of the fiscal year, such a plan was taking shape. Meetings of representatives of governments contributing to the Fourth Replenishment of IDA were held in Paris in November 1973 and Bonn in May 1974. Statements made at those meetings indicated the prospect of advance contributions totaling the equivalent of about \$875 million. The equivalent of about \$164 million became available for commitment by the end of fiscal 1974 in the form of advance contributions from Canada (Can.\$138 million) and Kuwait (KD 7.86 million). It was expected that resources⁽¹⁾ would be provided in an amount sufficient to enable IDA's operations to continue without interruption for a substantial part of fiscal 1975. Nevertheless, it remains of the greatest importance that governments should press for the earliest possible legislative approval of the full replenishment. The need has become all the more urgent as the impact of recent events has been particularly severe on the poorest of IDA's member countries—those which depend most heavily on concessionary assistance of the sort that IDA provides.

Petroleum-exporting countries

Another feature of the year's activities is that the Bank's relations with the petroleum-exporting countries have been moving into a new phase. Such countries can now broadly be divided into three categories. The first category includes countries like Kuwait and Saudi Arabia; they have high per capita incomes and large surpluses of funds, and have given indica-

⁽¹⁾ At the time of going to press, action was pending on advance contributions totaling the equivalent of approximately \$550 million from a number of other countries, including Denmark, Germany, Iceland, Ireland, Japan, the Netherlands, New Zealand, Norway, Sweden and the United Kingdom.

tions that they may request the Bank's technical assistance both in investing such funds in their own countries and in channeling a portion of their surpluses to other developing countries through their bilateral development assistance programs.

In the second category are countries like Iran and Venezuela which, although they have significant development investment needs, do not require an inflow of external capital but are expected to continue to borrow from the Bank Group because of the non-financial advantages associated with such borrowings in the way of institution building, technical assistance, etc. It is expected that lending to these countries will be offset by a reverse flow of funds to the Bank, and that in many cases the flow will substantially exceed the amount of Bank lending. The third category includes countries like Indonesia and Nigeria where the additional revenues from petroleum are small in relation to the country's size and needs. Most of these countries have per capita incomes of less than \$200 per annum.

On the broader international scene, the most significant developments of the recent past have included the realignment and floating of exchange rates; accelerated inflation, associated with rapid rises in the prices of most primary commodities and of industrial exports; dramatic increases in petroleum prices; shortages of foodgrains and of fertilizer; and a slowing of the growth of gross national product (GNP) in industrialized countries.

Far-reaching impact

The impact of these developments has been far-reaching. Barely a year ago, the prospects were that the developing countries, taken together, would be able to achieve an annual rate of growth of GNP in real terms somewhat higher than 6%, in line with the target set for the Second Development Decade. The indications are that, in the aggregate, the target was in fact reached between 1968 and 1972. However, it is now expected that although some petroleum- and mineral-exporting countries may exceed the target, GNP growth in many other developing countries will fall below 6% per year over the rest of this decade. The rate of growth in the poorest countries, including the most populous, will be so low that per capita incomes will either stagnate or rise very little between now and 1980.

The Bank's estimates indicate that if even moderately acceptable rates of growth are to be achieved, there will have to be a substantial increase in the flow of external resources to developing countries. Even on optimistic assumptions, such countries will require about \$2,600 million of additional long-term external capital in 1974 and \$6,800 million in 1975—after drawing on their own reserves and on the Oil Facility of the International Monetary Fund

IDA: Proposed Contributions Under Fourth Replenishment Agreement

Part I Countries		In National Currencies	US\$ (equivalent)⁽¹⁾
Australia	\$A	60,810,811	90,000,000
Austria	S	547,406,460	30,600,000
Belgium	BF	2,834,325,000	76,500,000
Canada	Can\$	276,037,200	274,500,000
Denmark	DKr	308,394,000	54,000,000
Finland	Fmk	92,816,640	25,200,000
France	F	1,070,264,154	253,545,000
Germany	DM	1,242,774,750	514,500,000
Iceland	IKr	113,130,000	1,350,000
Ireland	£Ir	3,100,070	7,500,000
Italy	Lit	102,399,277,500	181,350,000
Japan	¥	131,472,000,000	495,000,000
Kuwait	KD	7,858,889	27,000,000
Luxembourg	Lux F	83,362,500	2,250,000
Netherlands	f.	336,162,825	132,750,000
New Zealand ⁽²⁾	\$NZ	7,935,811	11,745,000
Norway	NKr	273,482,550	49,500,000
South Africa	R	6,060,606	9,000,000
Sweden	SKr	756,306,000	180,000,000
United Kingdom	£	206,464,680	499,500,000
United States	\$	1,500,000,000	1,500,000,000
Total Part I Countries			4,415,790,000
Part II Countries			
Israel	IE	4,200,000	1,000,000
Spain	Ptas	757,041,074	13,333,000
Yugoslavia	Din	75,000,000	5,000,000
Total Part II Countries			19,333,000
Total Members			4,435,123,000
Loan from Switzerland	SwF	200,000,000	66,179,147
Total Resources			4,501,302,147

⁽¹⁾ At official New York exchange rates of September 27, 1973.

⁽²⁾ New Zealand, which is not currently a member of IDA, will become a Part I member when the Fourth Replenishment becomes effective.

(IMF). Of these amounts, \$800 million in 1974 and \$2,100 million in 1975 are needed for countries for which only highly concessionary terms are appropriate; additional amounts will be needed on intermediate terms.

Looking further ahead, the need for additional long-term capital inflows will rise from \$10,600 million in 1976 to \$27,500 million in 1980. Of these incremental amounts, about \$3,900 million in 1976, rising to \$11,200 million in 1980, will have to be on highly concessionary terms.

According to the Bank's estimates, the higher-income developing countries⁽¹⁾ could afford to borrow most of the additional external capital they need on conventional or market terms. The middle-income countries will need

a large concessionary element in their borrowing. The requirements of the lower-income countries will have to be financed almost entirely on concessionary terms.

Whether the additional external resources can be mobilized remains uncertain. The higher-income countries may not find it easy to raise the capital they require. But the difficulties in raising the concessionary funds the poorer countries need are likely to be far greater.

Capital flows

Preliminary data from the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD) show that net flows of official and private finance to developing countries rose sharply in nominal terms from \$19,900 million in 1972 to \$24,200 million in 1973 (including grants by private voluntary agencies). As a proportion of the GNP of member countries, such flows remained constant at 0.78%. The nominal increase was unevenly divided between

⁽¹⁾ For the purposes of this analysis, developing countries with an estimated annual per capita income in 1972 of less than \$200 are classified as "lower-income." "Middle-income" countries are those with a per capita income of \$200 to \$375, and "higher-income" countries are those with a per capita income of more than \$375. Major oil-exporting countries have been placed in a separate category. For further details, see General Notes to Statistical Annex and Table 4B.

The Flow of Financial Resources from DAC Countries to Developing Countries and Multilateral Institutions: 1965-73

(US\$500 million)

Net Disbursements	1965	1966	1967	1968	1969	1970	1971	1972	1973 ^(P)
Total, official and private	10.32	10.39	11.44	13.51	13.78	14.93	17.25	18.82	22.80
Total official	6.20	6.43	7.06	7.05	7.19	7.98	9.03	10.25	11.93
Official Development Assistance ⁽¹⁾	5.90	5.98	6.54	6.31	6.62	6.83	7.76	8.67	9.42
As share of GNP (%)	0.44	0.41	0.42	0.37	0.36	0.34	0.35	0.34	0.30
Total private ⁽²⁾	4.12	3.96	4.38	6.46	6.59	6.95	8.22	8.58	10.87

⁽¹⁾ "Official Development Assistance" is fully defined in Statistical Annex Table 3, as is the content of the remainder of official resources, known as "Other Official Flows."

⁽²⁾ As in past Annual Reports, grants by private voluntary agencies are excluded to provide a longer time series. Data are available only for 1970 to 1973. The amounts are \$858 million in 1970, \$913 million in 1971, \$1,033 million in 1972 and \$1,348 million in 1973. The totals, including these grants, are \$15,790 million in 1970, \$18,160 million in 1971, \$19,860 million in 1972 and \$24,150 million in 1973.

^(P) Provisional.

Official Development Assistance (ODA) and Other Official and Private Flows.

ODA rose from \$8,700 million to \$9,400 million in nominal terms. But DAC estimates that ODA flows actually declined by about 6% in real terms. All other flows recorded by DAC increased from \$11,200 million to \$14,800 million. As a result, the share of ODA in the total declined from 43.7% to 38.8%. ODA also declined further as a percentage of GNP—from 0.34% in 1972 to 0.30% in 1973.

The indications are that there will be a further decline in ODA in 1974. The question arises: to what extent will the decline be mitigated by flows of concessionary funds in 1974 and beyond? A number of initiatives have been taken in an effort to stimulate the flow of funds, both concessionary and other. For instance, the International Monetary Fund has established a special Oil Facility, to become operative in the immediate future. At a special session held in April-May 1974, the U.N. General Assembly considered the problems of raw materials and development. The special session was the first held solely to discuss development issues. The U.N. Secretary-General was requested to set up a coordination mechanism for emergency relief, and a fund-raising drive has been launched for this purpose. The Bank has been providing technical assistance in response to specific requests for information and expertise. The Bank has been requested to join with a number of international organizations — including the IMF, the United Nations Development Programme, the United Nations Conference on Trade and Development, the United Nations Food and Agriculture Organization and the United Nations—in assisting a committee to make recommendations concerned with a "special fund" for emergency relief and development assistance which that session decided to establish.

Some of the initiatives taken by certain members of the Organization of Petroleum Exporting Countries (OPEC) are on a regional basis. Among the bilateral commitments of capital by

OPEC countries to other developing countries, additional fast-disbursing assistance in the form of credits for oil imports is planned by some OPEC members for 1974. It remains to be seen, however, whether the various initiatives will result in the disbursement of funds, especially concessionary funds, on the scale required.

At present, it appears almost inevitable that at least in the short run, the flow of concessionary aid will decline even further in real terms. This will happen at a time when the needs of countries which depend most heavily on such aid will be greater than ever.

Commodity prices

Among the major factors contributing to the need for a larger flow of external assistance to developing countries other than the major petroleum exporters is the sharp rise in commodity prices. Developing countries import substantial quantities of primary products, particularly petroleum, foodgrains, fats and oils, and fibers. Much of the supply of these commodities originates in the OECD and OPEC countries. The relationships between movements in the prices of primary products and the terms of trade of developing countries are, therefore, complex and affect individual countries quite differently.

The rise in the prices of most primary commodities—even in relation to the rapid rise in the prices of manufactured goods—has brought about substantial changes in the balance-of-payments prospects of many countries. The most significant change has been the sharp rise in the price of petroleum, particularly since it is so important among the commodities entering international trade.

Apart from petroleum, however, many developing countries have been faced with acute shortages of fertilizers and foodgrains. In the case of fertilizer, the shortages began to emerge by late 1971. But they have become worse since. The price of fertilizer has risen rapidly. The result is that developing countries are

Bank Loans and IDA Credits Approved in 1973/74, by Region

(US\$ millions)

	Bank Loans ⁽¹⁾		IDA Credits ⁽¹⁾		Total ^(1,2)	
	Number	Amount	Number ⁽²⁾	Amount	Number ⁽²⁾	Amount
Eastern Africa						
Botswana	2	\$ 9.5	1	\$ 3.0	3	\$ 12.5
Burundi	—	—	1	5.0	1	5.0
Ethiopia	—	—	3	43.4	3	43.4
Kenya	3	44.4	2	33.5	5	77.9
Malagasy Republic	—	—	1	7.8	1	7.8
Malawi	—	—	2	9.5	2	9.5
Mauritius	2	15.0	1	4.0	3	19.0
Rwanda	—	—	2	10.1	2	10.1
Somalia	—	—	1	10.0	1	10.0
Sudan	—	—	3	38.7	3	38.7
Tanzania	2	26.0	2	23.5	4	49.5
Zaire	—	—	1	10.0	1	10.0
Zambia	1	115.0	—	—	1	115.0
Western Africa	10	\$ 209.9	20	\$ 198.5	30	\$ 408.4
Cameroon	3	\$ 51.6	—	\$ 24.0	3	\$ 75.6
Chad	—	—	2	13.9	2	13.9
Congo, People's Republic of	—	—	1	5.6	1	5.6
Dahomey	—	—	—	0.6	—	0.6
Gambia, The	—	—	1	2.4	1	2.4
Ghana	—	—	3	25.4	3	25.4
Ivory Coast	2	27.6	—	—	2	27.6
Liberia	1	2.9	—	—	1	2.9
Mali	—	—	1	10.5	1	10.5
Mauritania	—	—	2	7.4	2	7.4
Niger	—	—	1	8.2	1	8.2
Nigeria	2	75.0	—	—	2	75.0
Senegal	2	3.6	—	3.0	2	6.6
Togo	—	—	1	8.7	1	8.7
Upper Volta	—	—	1	11.3	1	11.3
Western Africa Region	—	—	1	— ⁽³⁾	1	— ⁽³⁾
Asia	10	\$ 160.7	14	\$ 121.0	24	\$ 281.7
Bangladesh	—	\$ —	3	\$ 74.1	3	\$ 74.1
Burma	—	—	1	17.0	1	17.0
India	1	52.0	7	390.0	8	442.0
Indonesia	1	48.0	6	84.0	7	132.0
Korea, Republic of	4	92.0	—	—	4	92.0
Malaysia	4	123.5	—	—	4	123.5
Nepal	—	—	2	13.8	2	13.8
Pakistan	2	60.0	2	51.0	4	111.0
Papua New Guinea	1	10.8	—	—	1	10.8
Philippines	5	155.6	—	9.5	5	165.1
Singapore	2	31.5	—	—	2	31.5
Thailand	3	142.0	1	7.0	4	149.0
Europe, Middle East and North Africa	23	\$ 715.4	22	\$ 646.4	45	\$ 1,361.8
Afghanistan	—	\$ —	1	\$ 11.5	1	\$ 11.5
Algeria	3	157.5	—	—	3	157.5
Cyprus	1	14.0	—	—	1	14.0
Egypt, Arab Republic of	—	—	4	43.9	4	43.9
Greece	2	45.0	—	—	2	45.0
Iceland	2	17.0	—	—	2	17.0
Iran	5	265.0	—	—	5	265.0
Ireland	1	25.0	—	—	1	25.0
Israel	1	35.0	—	—	1	35.0
Morocco	4	136.0	—	—	4	136.0
Oman	2	8.4	—	—	2	8.4
Romania	1	60.0	—	—	1	60.0
Syrian Arab Republic	2	88.0	—	10.0	2	98.0
Tunisia	3	39.6	—	7.0	3	46.6
Turkey	3	228.0	—	—	3	228.0
Yemen Arab Republic	—	—	3	19.6	3	19.6
Yugoslavia	5	128.0	—	—	5	128.0
Latin America and the Caribbean	35	\$ 1,246.5	8	\$ 92.0	43	\$ 1,338.5
Bolivia	—	\$ —	2	\$ 12.2	2	\$ 12.2
Brazil	3	242.0	—	—	3	242.0
Chile	1	13.6	—	—	1	13.6
Colombia	3	54.2	—	—	3	54.2
Costa Rica	1	23.5	—	—	1	23.5
Ecuador	1	23.2	1	5.5	2	28.7
El Salvador	1	17.0	—	—	1	17.0
Guyana	1	12.9	—	—	1	12.9
Haiti	—	—	1	10.0	1	10.0
Honduras	1	3.0	1	9.6	2	12.6
Jamaica	2	20.5	—	—	2	20.5
Mexico	5	309.0	—	—	5	309.0
Nicaragua	1	8.5	—	—	1	8.5
Panama	1	30.0	—	—	1	30.0
Peru	3	75.0	—	—	3	75.0
Trinidad and Tobago	1	18.0	—	—	1	18.0
Uruguay	1	13.5	—	—	1	13.5
Venezuela	1	22.0	—	—	1	22.0
TOTALS⁽⁴⁾	105	\$ 3,218.4	69	\$ 1,095.2	174	\$ 4,313.6

⁽¹⁾ All supplements and amendments are included in amounts, but only those qualifying as separate lending operations are included in number.

⁽²⁾ Joint Bank-IDA operations are counted only once, as Bank operations.

⁽³⁾ One drought relief operation, totaling \$14 million, is shared by the following countries: Chad—\$2 million; Mali—\$2.5 million; Mauritania—\$2.5 million; Niger—\$2 million; Senegal—\$3 million; Upper Volta—\$2 million. Amounts are included in each country's total.

⁽⁴⁾ Details may not add to totals because of rounding.

Bank Loans and IDA Credits Approved in 1973/74, by Purpose⁽¹⁾

(US\$ millions)

	Bank	IDA	Total
Agriculture			
Burma—irrigation	\$ —	\$ 17.0	\$ 17.0
Cameroon—livestock	11.6	—	11.6
Chad—drought relief ⁽²⁾	—	2.0	2.0
Chad—irrigation	—	7.5	7.5
Congo, People's Republic of—livestock	—	5.6	5.6
Cyprus—irrigation	14.0	—	14.0
Dahomey—agricultural development ⁽³⁾	—	0.6	0.6
Ecuador—irrigation	—	5.5	5.5
Ethiopia—drought rehabilitation	—	10.0	10.0
Ethiopia—agricultural development	—	12.0	12.0
Ghana—livestock	—	2.0	2.0
Greece—irrigation	30.0	—	30.0
Guyana—irrigation	12.9	—	12.9
Honduras—livestock	—	6.6	6.6
Iceland—fishing harbors rehabilitation	7.0	—	7.0
India—livestock	—	30.0	30.0
India—agricultural credit	—	32.0	32.0
India—apple processing	—	13.0	13.0
India—area development	52.0	—	52.0
Indonesia—fisheries	—	6.5	6.5
Indonesia—irrigation	—	30.0	30.0
Israel—agricultural credit	35.0	—	35.0
Ivory Coast—oil palm	2.6	—	2.6
Jamaica—agricultural credit	5.5	—	5.5
Kenya—livestock	—	21.5	21.5
Kenya—tea development	10.4	—	10.4
Korea, Republic of—products processing	13.0	—	13.0
Korea, Republic of—seeds	7.0	—	7.0
Malaysia—area development	45.0	—	45.0
Malaysia—land settlement	40.0	—	40.0
Mali—drought relief ⁽²⁾	—	2.5	2.5
Mali—rural development	—	8.0	8.0
Mauritania—drought relief ⁽²⁾	—	2.5	2.5
Mauritania—irrigation	—	1.1	1.1
Mauritius—rural development	—	4.0	4.0
Mexico—irrigation	47.0	—	47.0
Mexico—irrigation	77.0	—	77.0
Morocco—irrigation	32.0	—	32.0
Nepal—area development	—	6.0	6.0
Nicaragua—agricultural credit	8.5	—	8.5
Niger—drought relief ⁽²⁾	—	2.0	2.0
Nigeria—cocoa planting	20.0	—	20.0
Peru—agricultural credit	25.0	—	25.0
Philippines—irrigation	9.5	9.5	19.0
Philippines—agricultural credit	22.0	—	22.0
Rwanda—livestock	—	3.8	3.8
Senegal—drought relief ⁽²⁾	—	3.0	3.0
Somalia—livestock	—	10.0	10.0
Sudan—general development	—	10.7	10.7
Syrian Arab Republic—irrigation	63.0	10.0	73.0
Tanzania—cotton	—	17.5	17.5
Tanzania—cashew nuts	21.0	—	21.0
Thailand—irrigation	—	7.0	7.0
Upper Volta—drought relief ⁽²⁾	—	2.0	2.0
Upper Volta—general development	—	8.0	8.0
Uruguay—livestock	13.5	—	13.5
Venezuela—agricultural credit	22.0	—	22.0
	\$ 646.5	\$ 309.4	\$ 955.9
Development finance companies			
Bolivia	\$ —	\$ 6.2	\$ 6.2
Botswana	4.0	—	4.0
Greece	15.0	—	15.0
Indonesia	—	10.0	10.0
Iran	75.0	—	75.0
Iran	25.0	—	25.0
Kenya	5.0	—	5.0
Mauritius	5.0	—	5.0
Pakistan	25.0	—	25.0
Philippines	50.0	—	50.0
Senegal	3.0	—	3.0
Sudan	—	4.0	4.0
Tanzania	—	6.0	6.0
Thailand	12.0	—	12.0
Turkey	40.0	—	40.0
Yugoslavia	50.0	—	50.0
Zaire	—	10.0	10.0
	\$ 309.0	\$ 36.2	\$ 345.2
Education			
Chad ⁽³⁾	\$ —	\$ 0.9	\$ 0.9
Colombia	21.2	—	21.2
El Salvador	17.0	—	17.0
Honduras	3.0	3.0	6.0
Ireland	25.0	—	25.0
Malaysia	19.0	—	19.0
Mauritania	—	3.8	3.8
Oman	5.7	—	5.7
Peru	24.0	—	24.0
Singapore	19.5	—	19.5
Yemen Arab Republic	—	11.0	11.0
	\$ 134.4	\$ 18.7	\$ 153.1
Electric power			
Algeria	\$ 38.5	\$ —	\$ 38.5
Bolivia	—	6.0	6.0
Brazil	81.0	—	81.0
Brazil	125.0	—	125.0
Chile ⁽²⁾	6.7	—	6.7
Iceland	10.0	—	10.0
Iran	58.0	—	58.0
Liberia	2.9	—	2.9
Malawi	—	7.5	7.5
Morocco	25.0	—	25.0
Panama	30.0	—	30.0
Papua New Guinea	10.8	—	10.8
Syrian Arab Republic	25.0	—	25.0
Tanzania	5.0	—	5.0
Thailand	75.0	—	75.0
Turkey	148.0	—	148.0
Zambia	115.0	—	115.0
	\$ 755.9	\$ 13.5	\$ 769.4

Bank Loans and IDA Credits Approved in 1973/74, by Purpose⁽¹⁾
(US\$ millions)

	Bank	IDA	Total
Industry			
Botswana—mining	\$ 5.5	\$ —	\$ 5.5
Egypt, Arab Republic of—fertilizer	—	0.4	0.4
Egypt, Arab Republic of—fertilizer	—	20.0	20.0
Egypt, Arab Republic of—cotton ginning	—	18.5	18.5
India—fertilizer	—	50.0	50.0
Indonesia—industrial estates	—	16.5	16.5
Malawi—pulp and paper	—	2.0	2.0
Mexico—steel	70.0	—	70.0
Morocco—phosphoric acid plant	50.0	—	50.0
Pakistan—fertilizer	35.0	—	35.0
Romania—fertilizer	60.0	—	60.0
Senegal—ship repair	0.6	—	0.6
Turkey—forestry and paper mill	40.0	—	40.0
Yemen Arab Republic—small industry	—	2.3	2.3
Yugoslavia—iron foundry	14.5	—	14.5
Yugoslavia—iron foundry	15.0	—	15.0
Yugoslavia—tractor plant	18.5	—	18.5
	\$ 309.1	\$ 109.7	\$ 418.8
Non-project			
Bangladesh—imports program	\$ —	\$ 50.0	\$ 50.0
India—industrial imports	—	150.0	150.0
Pakistan—flood rehabilitation	—	35.0	35.0
	\$ —	\$ 235.0	\$ 235.0
Population planning			
Egypt, Arab Republic of	\$ —	\$ 5.0	\$ 5.0
Kenya	—	12.0	12.0
	\$ —	\$ 17.0	\$ 17.0
Technical assistance			
Chile	\$ 5.2	\$ —	\$ 5.2
Colombia	8.0	—	8.0
Indonesia	—	5.0	5.0
Oman	2.8	—	2.8
	\$ 16.0	\$ 5.0	\$ 21.0
Telecommunications			
Bangladesh	—	20.0	20.0
Costa Rica	23.5	—	23.5
Ethiopia	—	21.4	21.4
Ivory Coast	25.0	—	25.0
Trinidad and Tobago	18.0	—	18.0
	\$ 66.5	\$ 41.4	\$ 107.9
Tourism			
Indonesia	\$ —	\$ 16.0	\$ 16.0
Korea, Republic of	25.0	—	25.0
Tunisia	5.6	—	5.6
	\$ 30.6	\$ 16.0	\$ 46.6
Transportation			
Afghanistan—roads	\$ —	\$ 11.5	\$ 11.5
Algeria—port	70.0	—	70.0
Algeria—railways	49.0	—	49.0
Bangladesh—inland water transport	—	4.1	4.1
Burundi—roads	24.0	5.0	29.0
Cameroon—roads	24.0	24.0	48.0
Cameroon—railways	16.0	—	16.0
Chad—roads	—	3.5	3.5
Chile—roads ⁽²⁾	1.6	—	1.6
Colombia—railways	25.0	—	25.0
Gambia, The—port	—	2.4	2.4
Ghana—roads	—	13.0	13.0
Haiti—roads	—	10.0	10.0
India—railways	—	80.0	80.0
Indonesia—railways	48.0	—	48.0
Iran—port	65.0	—	65.0
Kenya—roads	29.0	—	29.0
Korea, Republic of—roads	47.0	—	47.0
Malagasy Republic—port ⁽³⁾	—	1.8	1.8
Malagasy Republic—railways	—	6.0	6.0
Malaysia—roads	19.5	—	19.5
Mauritius—port	10.0	—	10.0
Mexico—airport	25.0	—	25.0
Mexico—roads	90.0	—	90.0
Morocco—roads	29.0	—	29.0
Niger—airport	—	5.0	5.0
Niger—roads ⁽⁴⁾	—	0.3	0.3
Niger—roads ⁽⁵⁾	—	0.9	0.9
Nigeria—port	55.0	—	55.0
Pakistan—port	—	16.0	16.0
Peru—roads	26.0	—	26.0
Philippines—roads	68.0	—	68.0
Philippines—port	6.1	—	6.1
Rwanda—roads	—	6.3	6.3
Sudan—railways	—	24.0	24.0
Togo—roads	—	8.7	8.7
Upper Volta—roads ⁽⁶⁾	—	1.3	1.3
Yugoslavia—roads	30.0	—	30.0
	\$ 733.2	\$ 223.8	\$ 957.0
Urbanization			
Botswana	\$ —	\$ 3.0	\$ 3.0
India	—	35.0	35.0
Iran	42.0	—	42.0
Jamaica	15.0	—	15.0
Tunisia	11.0	7.0	18.0
	\$ 68.0	\$ 45.0	\$ 113.0
Water supply and sewerage			
Brazil	\$ 36.0	—	\$ 36.0
Ecuador	23.2	—	23.2
Ghana	—	10.4	10.4
Nepal	—	7.8	7.8
Singapore	12.0	—	12.0
Thailand	55.0	—	55.0
Tunisia	23.0	—	23.0
Yemen Arab Republic	—	6.3	6.3
	\$ 149.2	\$ 24.5	\$ 173.7
TOTALS⁽⁴⁾	\$3,218.4	\$1,095.2	\$4,313.6

⁽¹⁾ Operations have been classified by the major purpose they finance. Many projects include activity in more than one sector or subsector.
⁽²⁾ Part of one drought relief operation totaling \$14 million, shared by Chad, Mali, Mauritania, Niger, Senegal, and Upper Volta.
⁽³⁾ Amendment/supplement to previous loan or credit, not counted as separate lending operation.
⁽⁴⁾ Details may not add to totals because of rounding.

obliged to spend much more foreign exchange on fertilizer. Even so, they face the possibility that their crops will be smaller.

The shortage of fertilizer, combined with the growing demand for food, means that foodgrains will remain in short supply. This, in turn, implies that much more foreign exchange will have to be spent on food, particularly wheat, imports as well. Some of the countries which are least able to meet the additional cost of petroleum imports are also the ones which depend heavily on fertilizer and foodgrain imports.

Industrialized nations

The anxiety over the prospects for the developing countries is increased by recent signs that economic growth in the industrialized nations is slowing down. The industrialized countries are the main customers for the developing countries' exports. The level of economic activity in the former, therefore, has a major influence on the foreign exchange earning capacity of the developing countries, and hence on their investment levels and growth rates. Even a modest decline in the longer-term rates of growth of the industrialized nations could have a greater impact on the developing countries than the direct impact of the recent increases in commodity prices.

Developing countries need additional capital not only to get over their short-term balance-of-payments difficulties, but also to make major longer-term adjustments to higher energy and basic commodity costs. These adjustments will require large increases in investment expenditures. The Bank has analyzed the repercussions of higher petroleum prices in five sectors—power, industry, transportation, agriculture and tourism. The analysis indicates that, on the whole, developing countries cannot greatly change their present pattern of production or consumption of energy before the early 1980s. Any significant changes in the use of petroleum products are unlikely before then; and if they are to take place at all, they will necessitate a considerable investment of capital, including foreign exchange.

The analysis generally confirms that the recent rise in petroleum prices will increase costs significantly. The production and distribution costs of electric power from the oil-based systems common in developing countries will increase by between 15% and 50%. In the major industrial branches, the increase will range from 5% for some items (e.g., kraft paper) to about 30% or more for some common chemical products. On average, transport costs may increase by 3% for truck and rail to nearly 30% for air cargo. Higher petroleum prices are likely to increase the cost of farming based on modern technology (use of tractors, diesel pumps for tubewells). As for tourism, it may suffer for a while because of slower growth in

the industrialized countries, but should recover thereafter.

Increase in costs

Demand and production substitutions could mitigate, but not fully offset, the adverse effects of higher petroleum prices. Many such substitutions will involve an increase in costs. In the power sector specifically, due to the large cost increases expected for oil-based power, the alternatives of hydropower, coal, lignite, geothermal, solar and nuclear energy have become more attractive. However, development of power from resources other than petroleum typically involves longer lead times and higher initial capital costs. In the present circumstances, these normally long lead times may increase significantly.

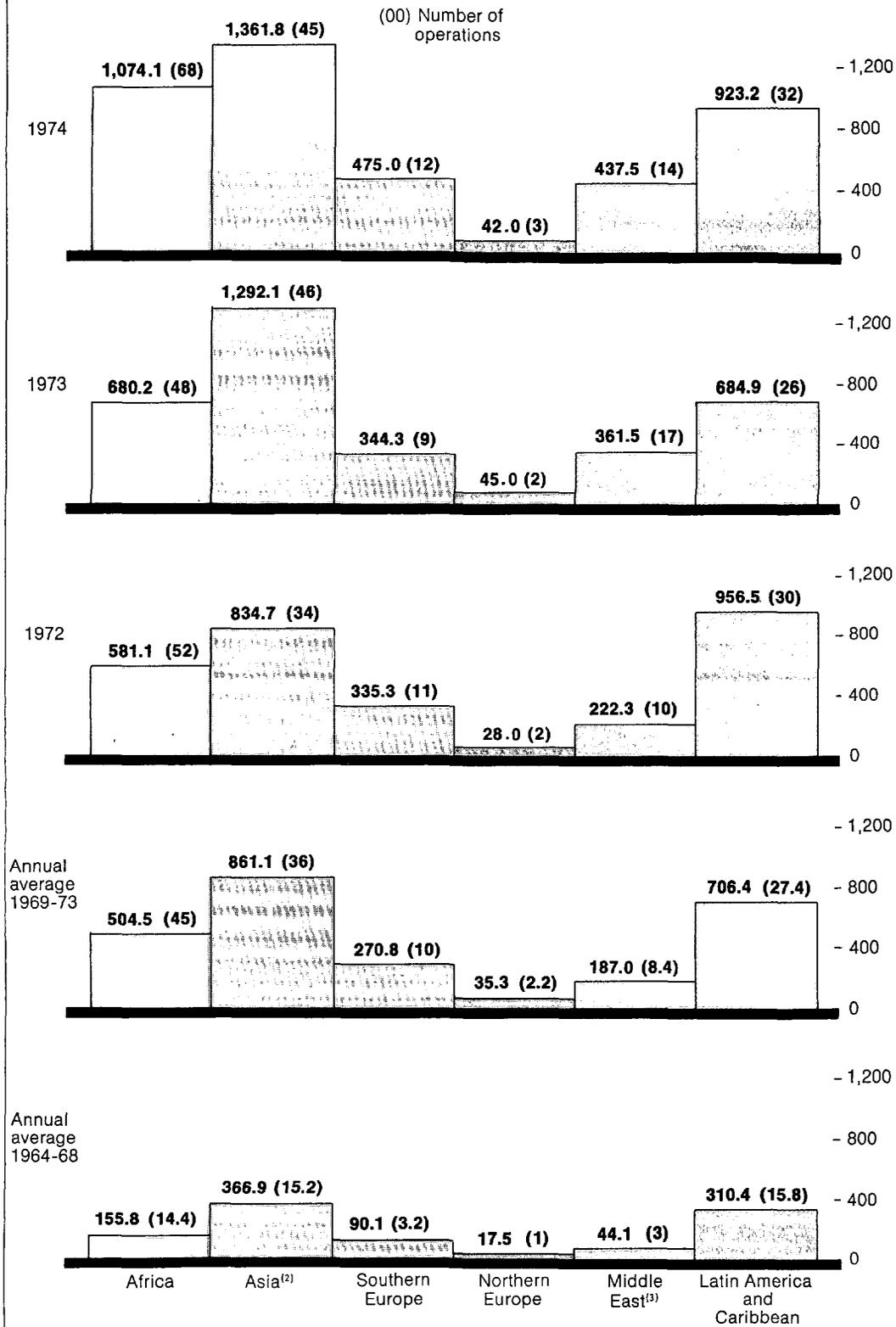
In this context, during the year the Bank prepared a report on the significance of nuclear power for the developing world. The report points out that nuclear plants are simply another option to be considered when searching for the most economical way of supplying the growing demand for electric power. The prospects are that a significant number of developing countries will wish to acquire nuclear plants. However, the acquisition of nuclear plants requires the acceptance of a complex new technology. Although new requests for financing nuclear plants may not be received for some time, borrowers may seek technical assistance for planning and other preparatory phases.

Creditworthiness prospects

In assessing the effects of recent economic events, the Bank has undertaken a detailed analysis of the long-term creditworthiness prospects of 29 developing countries which accounted for over 70% of the outstanding external public debt of all developing countries at the end of 1971. These countries have been found to fall into three broad categories: those, accounting for somewhat more than 10% of external debt outstanding, whose prospects seem to have improved; those, accounting for about 40% of external debt outstanding, whose prospects were mixed but seem to have remained unchanged; and those, accounting for something under 20% of external public debt outstanding, whose prospects seem to have worsened.

The analysis indicates that the effects vary from country to country, depending on several factors. Inflation clearly has serious disruptive effects. However, it does to some extent reduce the burden of repayment and interest on existing debt. Before taking account of changes in the terms of trade, for example, the real burden of debt-service payments made this year on debt contracted five years ago has decreased

Bank and IDA: Lending by Geographic Region,⁽¹⁾ 1964-74
 (US\$ millions. Fiscal years.)



(1) Loans to past borrowers, totaling \$706.7 million in 1964-68, and \$24 million in 1969-73, are excluded.
 (2) Excluding Afghanistan and Iran.
 (3) Including Afghanistan and Iran.

by about one-third, and by proportionately smaller amounts on debt contracted in more recent years. In addition, to the extent that increases in the nominal interest rate lag behind general increases in prices, the real cost of new borrowing is reduced.

A reduction in the real cost of debt-service payments under inflationary conditions, however, does not necessarily imply an improvement in the creditworthiness position and prospects of a country. If a country's terms of trade are unaffected by inflation, the capacity to import would increase in real terms, given the fixed nominal value of the debt-service payments. But any deterioration in the terms of trade would diminish that advantage. Frequently, developing countries have found that a deterioration in the terms of trade tends to more than offset the benefits of a decline in real debt-service costs; this has been particularly true of the lower-income countries.

Moreover, the long-term capital requirements of developing countries are estimated to have increased substantially in real terms. Other elements affecting the prospects of such countries are the pattern of primary commodity prices; the impact of inflation on prices of manufactured goods; and the adequacy and terms of financing to meet increases in current account deficits. Ultimately, the creditworthiness of borrowers is determined by the real rate of growth of their GNP and their ability to adjust to changing external conditions affecting their balance of payments.

External public debt

The Bank's analysis indicates that, during 1972, the external public debt outstanding of 86 developing countries⁽¹⁾ increased from \$85,100 million to \$99,400 million. The rise of 16.8% was similar to the one of 16.7% during 1971. Of the increase of \$14,300 million, \$10,100 million was concentrated on oil exporters (\$2,700 million) and higher-income countries (\$7,400 million). Together, these two groups of countries accounted for 60% of debt outstanding at the end of 1972 and were responsible for 70.6% of the increase during that year.

Of the debt of oil exporters and higher-income countries, \$24,400 million (40.9%) was owed to private lenders.⁽²⁾ This amount was 80% of the \$30,500 million owed by all groups of developing countries to private lenders. The increase in debt owed to private lenders by oil exporters and higher-income countries during 1972 was \$4,300 million. This was 95.6% of the

⁽¹⁾ The coverage of the Bank's reporting system has been expanded and the quality of the data has been improved. For details, see General Notes to Statistical Annex.

⁽²⁾ Of this amount, \$9,600 million was owed to private banks.

total increase in debt owed to them. Debt outstanding of middle- and lower-income countries was \$39,800 million at the end of 1972, or 40% of the total owed by all 86 developing countries. The debt of these two groups increased by only \$4,100 million during the year. Of the increase, 90.2% was in the form of debt owed to official bilateral and multi-lateral lenders.

Poorest countries

Perhaps the most important conclusion that emerges from an analysis of the year's events is that it is the poorest countries that will be hit hardest; they lack the resources and the resiliency necessary to cope with the dramatic changes that are taking place. The inference follows that the international community needs not only to mobilize more development assistance, but to direct such assistance increasingly to the poorest among and within developing countries. This is becoming, more deliberately than ever, the Bank's concern: it is based on the conviction that development can be accelerated and can take on new meaning for hundreds of millions of people only if it is recognized that an improvement in productivity involves an improvement in the quality of their lives. The vast majority of the poorest in developing countries live in the rural areas. In recent years, therefore, the Bank has sought increasingly to support rural development projects designed to improve productivity, particularly among small farmers and the landless.

Some of the elements essential to a program to benefit the rural poor are well known: land and tenancy reform, better access to credit, assured availability of water, expanded extension services, greater access to public services, and new forms of institutions to reach the rural poor. But other essentials for improving the lot of the very poor, and especially of the landless, are less well known. The Bank has, therefore, sought to improve its understanding of the problems of agriculture and rural development. The subject received close and continuing attention during the year, both in the context of specific projects and in a number of broader policy discussions. The latter included consideration of the Bank's policies on such aspects of the problem as agricultural credit, land reform, nutrition, and the fertilizer requirements of developing countries.

Agricultural credit

The Bank Group is already a major source of external funding for agricultural credit projects, and expects to play an increasing role in this sphere over the next few years. Recently, half of its agricultural lending to the poorest coun-

tries has been for rural credit, and 25% of this has been for small farmers.

It is generally agreed that the Group's lending for agricultural credit should be expanded on a selective basis, with particular emphasis on the productivity of small farmers. Procedures for lending to small farmers need to be simplified. A "package" approach has to be developed, where possible, to provide additional services that might be required. The Bank will support the adjustment of interest rates where appropriate, bearing in mind that they are only one of several elements in a project and might be subsidized in certain circumstances, but with a long-term goal of covering the opportunity cost of capital and the administrative costs of the lending institutions. Greater attention is to be given to research and experimentation, and to evaluation components in the larger rural credit loans.

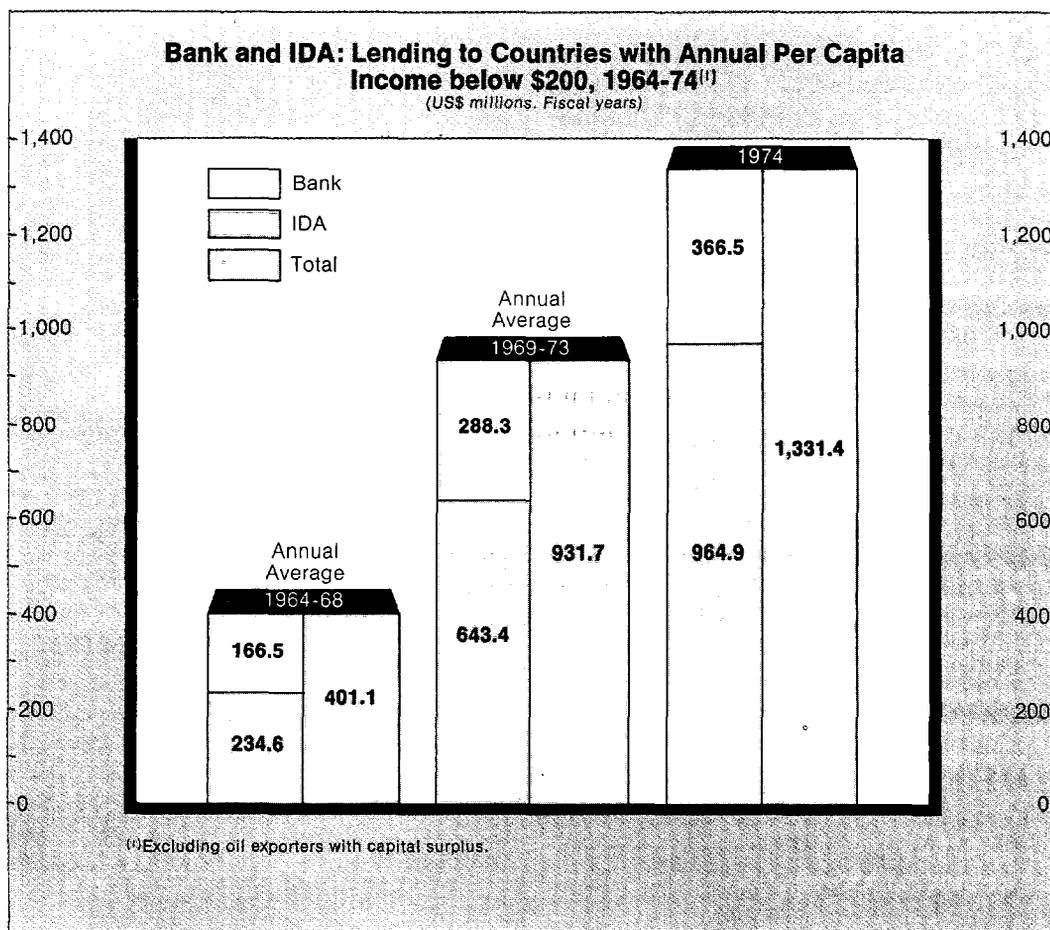
It is expected that the flow of credit to small farmers will increase substantially. At the same time, however, the Bank does not propose to turn its back on commercial and large farmers when they play a vital role in increasing food

production, exports and governmental revenues, although it is agreed that they can ordinarily borrow from commercial sources.

Land reform

In supporting land reform, as in the case of agricultural credit, the Bank's aim is to help the rural poor, and especially small farmers, become more productive. Although the range of countries where the Bank assists agriculture is wide, in almost all there are serious problems of growing rural poverty and underemployment, increasing pressure on the land and the need to raise agricultural output. In some countries, land reform is an essential prerequisite to any relief; in others, it may have only marginal effect. In all cases, the choice is essentially political; and extremely difficult decisions are needed before and after the reform.

Where the political will for reform is lacking, the Bank can do no more than offer advice and establish a dialogue. If a government is interested, the Bank can help directly with funds for



training, survey, tilling services, etc., and indirectly by financing subsequent complementary inputs. It is proposed that the Bank itself pay greater attention to such aspects as the size of holdings in irrigation schemes, the selection of beneficiaries in settlement projects, and safeguarding the rights of those affected by Bank-sponsored technological changes.

In its agricultural lending, the Bank will give priority to countries pursuing broad-based agricultural strategies that take account of the requirements of all groups, and particularly help promote employment among the poorest. It will support land reform policies designed to further these objectives and will help provide, *inter alia*, credit, technical services and infrastructure to meet the special needs of land reform beneficiaries.

The Bank's policy will be flexible, but its approach will be to regard land reform as part of a broader strategy for rural development. A basic aim is to establish a more effective dialogue with governments on broad policy issues. Another is to reorient projects to increase the productivity of small farmers. The Bank will not support projects where land rights are such that a major share of the benefits will accrue to high-income groups unless increases in output and improvements in the balance of payments are overriding considerations; in such cases, it will carefully consider whether the fiscal arrangements are appropriate to ensure that a reasonable share of the benefits accrue to the government.

Better nutrition

Reflecting its increasing interest in the social aspects of economic development, the Bank has conducted a comprehensive review of possible activities in the field of nutrition. There is increasing concern in developing countries

about the effects of malnutrition on child mortality, on the frequency and severity of illness, on physical growth and productivity, and on the relationship of malnutrition to mental development. The specialized U.N. agencies and some member countries have indicated that they would welcome Bank Group cooperation to complement and assist their nutrition programs.

The Bank has concluded that limited and carefully focused action on its part in the nutrition field would be a logical evolution of the effort to extend the benefits of development to the poorest segments of society, particularly since nutrition could be linked to other social sectors, such as education and family planning. However, a cautious beginning is necessary, with particular emphasis on areas in which the Bank has a technical "comparative advantage" and initially on a continuing dialogue with governments to increase awareness of nutrition problems and strategies. The Bank's responsibilities will be carefully defined, both in order to avoid spreading its resources too thinly and to avoid duplicating the work of other agencies.

The Bank will further develop its policy of including nutrition components in other projects, such as food processing, rural development, population and certain types of agriculture and education projects. Meanwhile, it will also proceed experimentally with the preparation of two projects directed primarily toward nutrition goals. The Executive Directors will examine the two projects at a relatively early stage in order to decide whether they are the sort the Bank should undertake.

Fertilizer requirements

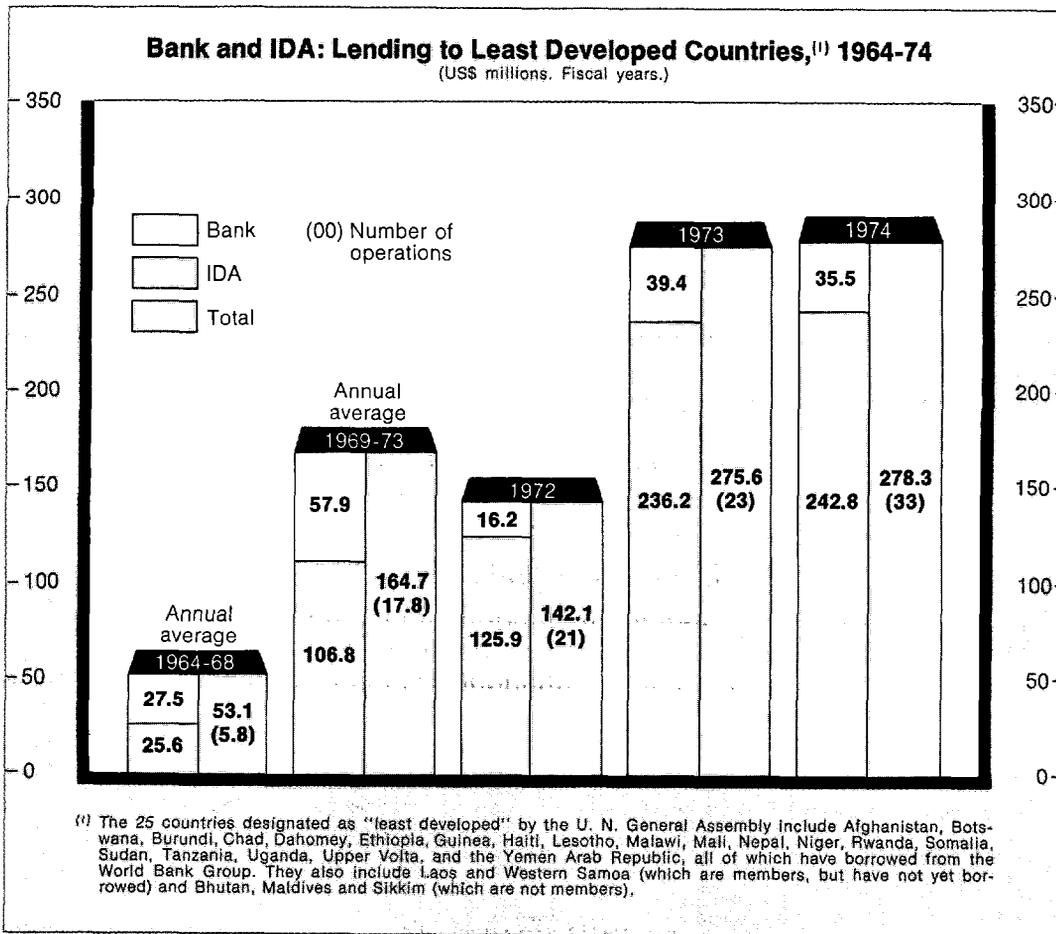
The Bank Group's interest in strengthening its contribution to agriculture and rural development has deepened at a time when the world

Bank and IDA: Trends in Lending, by Sector

(US\$ millions. Fiscal years)

	1972			1973			1974		
	Bank	IDA	Total	Bank	IDA	Total	Bank	IDA	Total
Agriculture	123.1	313.2	436.3	501.6	436.1	937.7	646.5	309.4	955.9
Development finance									
companies	209.0	34.5	243.5	268.0	42.0	310.0	309.0	36.2	345.2
Education	133.6	46.8	180.4	161.6	114.5	276.1	134.4	18.7	153.1
Electric power	463.8	56.8	520.6	174.3	147.2	321.5	755.9	13.5	769.4
Industry	342.0	30.0	372.0	—	67.2	67.2	309.1	109.7	418.8
Non-project	60.0	125.0	185.0	30.0	195.0	225.0	—	235.0	235.0
Population	—	34.4	34.4	21.5	—	21.5	—	17.0	17.0
Technical assistance	—	4.0	4.0	—	4.0	4.0	16.0	5.0	21.0
Telecommunications	82.7	3.6	86.3	157.8	90.0	247.8	66.5	41.4	107.9
Tourism	36.0	14.2	50.2	—	—	—	30.6	16.0	46.6
Transportation	453.2	327.0	780.2	520.1	162.3	682.4	733.2	223.8	957.0
Urbanization	—	10.3	10.3	16.0	20.0	36.0	68.0	45.0	113.0
Water supply and sewerage	54.7	—	54.7	200.1	78.7	278.8	149.2	24.5	173.7
Total	1,958.1	999.8	2,957.9	2,051.0	1,357.0	3,408.0	3,218.4	1,095.2	4,313.6

Details may not add to totals because of rounding.



food situation has remained discouraging. Considerable attention has been given to the Group's role in helping to meet the fertilizer requirements of developing countries.

Shortages and high prices of fertilizer have seriously hampered the growth of agricultural production in developing countries. As the worldwide demand for fertilizer has been rising rapidly and the expansion in manufacturing capacity has been relatively slow, the situation is unlikely to improve soon. Any improvement in the longer term depends on the action taken over the next three or four years to create new capacity.

The structure of the international fertilizer market, upon which developing countries have come to rely very heavily, is such that prices tend to swing sharply in response to the domestic demand-supply balance for fertilizers in the developed countries. A combination of factors on both the demand and supply sides—chiefly the world food and agricultural shortages, the energy situation and the slackened pace of capacity expansion both before and during the

fertilizer crisis—have resulted in a sharp growth in demand in the developed countries and dwindling supplies in the developing countries. Demand in the former is likely to remain high. In addition, the present market structure in fertilizers reflects the fluctuations in domestic fertilizer demand in the developed countries. The developing countries, therefore, could find themselves squeezed in the next two to three years in terms of fertilizer availability and prices.

Yet an increase in fertilizer supplies to the developing countries is essential if they are to expand, or even maintain, their agricultural production. Although the Bank Group is strengthening further its efforts to help developing countries get the fertilizer they need, the possibilities are limited in the short run. Special efforts need to be made to help maximize production from plants which are operating far below capacity in a number of developing countries. Possibilities are being explored for the more economical use both of fertilizer and of the high-cost energy feedstocks going into fertilizer production. Technical assistance may

also be possible in working out arrangements that would enable developing countries to obtain more fertilizer — for instance, from the petroleum-producing countries.

Assured supply

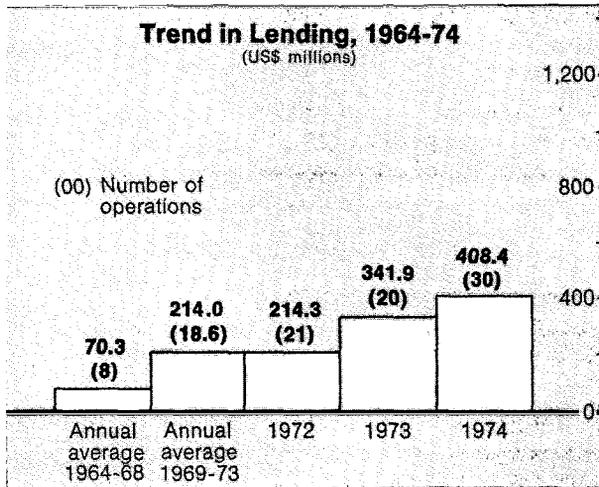
The Bank Group could do much to assist developing countries in tackling the longer-term problem of obtaining an assured supply of fertilizer at a reasonable cost. The overall world demand and supply situation will be kept under continuing review, however, so as to prevent any recurrence of the present, unstable demand-supply cycle. A major effort is necessary to build new export-oriented fertilizer capacity in developing countries that have abundant raw materials. For nitrogenous fertilizers, the list could include Algeria, Bangladesh, Indonesia, Libya, Nigeria, Venezuela and the countries bordering the Persian Gulf. For phosphatic fertilizers, the list could include Jordan, Morocco, Senegal, Togo and Tunisia.

An equally vigorous effort is needed to de-

velop new fertilizer capacity based partially on imported raw materials or intermediate fertilizer products in consuming countries where the size of the market or other circumstances, such as the availability of cheap coal or the level of inland transportation costs, make localized fertilizer production viable. Among the countries which have domestic markets large enough to support plants of economic size are Brazil, Egypt, India, Philippines, Thailand and Turkey. In addition to these facilities, new investment might be justified in countries which have sufficient gas or phosphate rock to support large domestic production but not enough to become major exporters (for example, Argentina, Colombia, Chile, Mexico, Pakistan and Peru).

The Bank Group is collaborating with the U.N. Industrial Development Organization and the U.N. Food and Agriculture Organization through an Ad Hoc Group on Fertilizers which includes experts from the three institutions. The matter of fertilizer will also be discussed at the World Food Conference to be held in Rome in November 1974.

Eastern Africa



Current borrowers	Population (000) ⁽¹⁾	Per capita GNP (US\$) 1972
Botswana	629	240
Burundi	3,506	70
Ethiopia	25,930	80
Kenya	12,070	170
Lesotho	959	90
Malagasy Republic	7,400	140
Malawi	4,711	100
Mauritius	849	300
Rwanda	3,904	60
Somalia	2,964	80
Sudan	16,586	120
Swaziland	446	260
Tanzania	13,606	120
Uganda	10,479	150
Zaire	19,091	100
Zambia	4,515	380

⁽¹⁾ Estimated as of mid-1972.

The recent and rapid changes in commodity prices, coupled with high rates of inflation and general uncertainties in the economic situation of the developed countries, have dominated events in the region. The vast majority of countries in Eastern Africa depend on a narrow portfolio of commodity exports; all are net importers of petroleum and petroleum products; all must import nearly all their capital goods. Another factor in the economic equation, however, is entirely domestic: the Sudano-Saharan drought, which hit Ethiopia with particular virulence and which, until the spring of 1974, had threatened to spread into Kenya, Sudan and Tanzania.

Though all have been affected by increased prices for oil and manufactured goods, some countries have been able to more than offset increased costs for those items by the still higher prices their basic export commodities have commanded; others have found their terms of trade approximately unchanged; while for still others, the world price movements have been unfavorable. The category each country fits into has depended on the composition of its exports and imports, which, in turn,

has depended on its basic resource endowment and its previous level of development.

The countries which have found themselves able to withstand, and indeed benefit from, the vicissitudes of the year's economic events include those whose most notable resource is mineral—mainly copper. Zaire and Zambia, long-time copper producers, have been the principal beneficiaries of fast-rising copper prices. They have been joined by a newcomer to the mineral-producing group of countries—Botswana, whose Selebi-Pikwe copper-nickel fields have been exploited for the first time in 1973. (Botswana has also been aided by high prices for its expanding beef production.) Due to the rise in copper prices, Zaire and Zambia have earned some \$360 million and \$450 million, respectively, more in 1973 than in the previous year.

These three mineral-exporting countries are also, for different reasons, less likely than others to be affected by rising oil prices. Botswana has large coal reserves from which it hopes to manufacture "synthetic oil." Zaire has a huge potential for hydroelectric energy, and exploitable oil deposits have been reported to be off

its small coastline. Because most of Zambia's power needs are supplied by hydroelectric facilities, it too will continue to be shielded from some of the effects of the oil price increases.

Though rising oil prices have tended to offset the favorable effects of the recent boom in other commodity prices, the countries of Eastern Africa, taken as a whole, have made some economic progress. Their low level of industrialization has kept down the demand for petroleum products. The increase in the cost of their petroleum imports should be approximately \$400 million in 1974, or about 5% of total imports.

East African nations exporting mineral products are not the only ones to have benefited from the year's shift in world commodity prices. Increased prices for wool—now declining slightly—have aided Lesotho's economy. The fourfold increase since 1969 in the price of sugar has enabled Mauritius to maintain its balance-of-payments equilibrium despite a rapid growth of imports and a deterioration in its terms of trade during the year. Increased prices for cotton have caused Sudan's economic situation to improve dramatically despite continuing deficits.

Though the economies of some countries have been strengthened through exports of valuable commodities, an even larger number of countries—Burundi, Ethiopia, the Malagasy Republic, Rwanda, Somalia, Swaziland and Tanzania—have found their terms of trade changed but little. Rising coffee prices have benefited some (Burundi, Ethiopia and Rwanda), but not enough—in Ethiopia's case—to overcome completely problems posed by other factors. Ethiopia faces an oil bill increased by more than \$25 million in 1974. Though there has been a rapid growth in its receipts from hides and skins, oil seeds and pulses—as well

as from coffee—its terms of trade are expected to deteriorate in the near future.

Ethiopia's major and immediate problem results from the severe drought. Though food might be imported on a grant basis, imports can do little to resolve the basic dilemmas posed by the drought—the death of countless draft animals, so needed for much of the cultivation of Ethiopia's arable land, and the depletion of seed grain supplies which have been used for consumption rather than planting.

Though coffee and sisal-exporting Tanzania and the Malagasy Republic have been aided by the increased prices for their exports, both have substantial current account deficits due to lagging export volumes; the latter has been additionally handicapped by a fast-rising bill for food imports (mainly rice) and oil.

In two countries of the region—Kenya and Malawi—recent movements in the terms of trade seem to have been adverse. The two have been affected in different ways, however. Malawi has found itself in an unfavorable position because its two main foreign exchange earners—tea and tobacco—have not risen in price; the country's terms of trade have deteriorated. But because export volume has been extremely buoyant, Malawi's problems are less acute than those facing many other nations of the region. Though price changes have been harmful, the country's rate of export growth, and the fact that it depends on petroleum only for transportation (electric power generation is largely hydroelectric), should protect Malawi to a greater extent than many others from any threat of serious economic hardship.

Kenya, however, has found itself in especially difficult economic circumstances. Unlike most countries of the region, its exports are highly diversified; only a few, however, such as pyrethrum and sisal, have commanded large

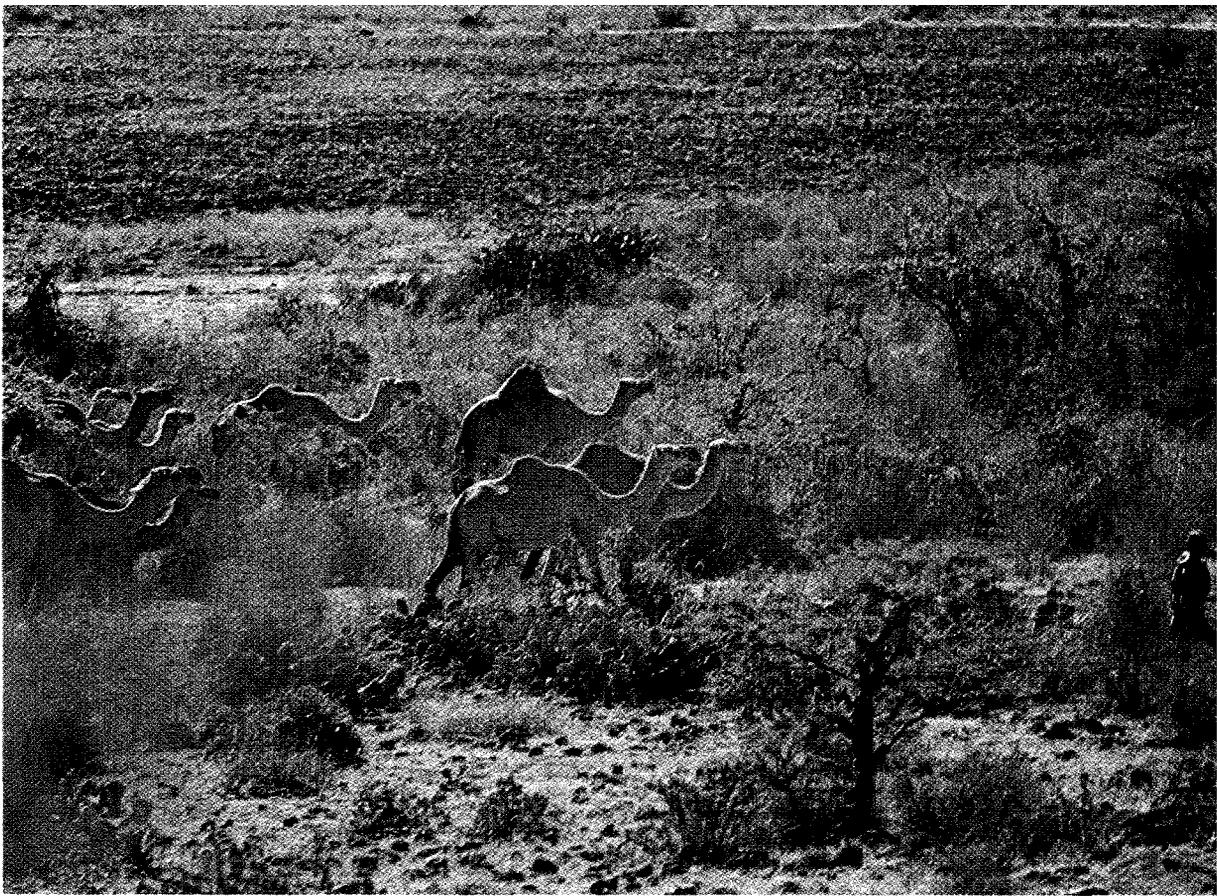
Lending to Current Borrowers in Eastern Africa, by Sectors

(US\$ millions. Fiscal years)

	Annual average 1964-68 ⁽¹⁾	Annual average 1969-73	1972	1973	1974
Agriculture	\$ 5.3	\$ 54.5	\$ 56.4	\$145.6	\$120.9
Education	9.7	23.4	6.5	53.3	—
Industry (including DFCs)	—	15.2	32.5	4.0	41.5
Non-project	—	6.0	—	30.0	—
Population	—	—	—	—	12.0
Power	13.2	24.3	—	—	127.5
Telecommunications	3.6	9.5	—	32.5	21.4
Transportation	38.3	76.7	108.1	76.5	82.1
Urbanization	—	—	—	—	3.0
Water and sewerage	0.2	4.4	10.8	—	—
Total	\$ 70.3	\$214.0	\$214.3	\$341.9	\$408.4
Of which: Bank	\$ 37.8	\$107.2	\$ 47.8	\$148.5	\$209.9
IDA	\$ 32.5	\$106.8	\$166.5	\$193.4	\$198.5

Details may not add to totals because of rounding.

⁽¹⁾ Excludes \$3.9 million in loans to Rhodesia.



The Sudano-Sahelian drought has spread into Ethiopian farmlands. IDA is assisting rehabilitation efforts in two of the country's worst affected provinces.

price rises. Its three major foreign exchange earners are coffee, tea and tourism. Only for coffee has there been any substantial price increase during the year. Overall, the commodity price boom has gone only a short way in offsetting the previous deterioration in the country's terms of trade, and any improvements whatsoever have been erased by rising oil prices. Again, unlike most countries of the region, Kenya's industrial development has been significant in the past few years. Thus, higher oil prices—the country has few alternative energy sources—have affected Kenya more than any other nation in Eastern Africa.

The volume of Bank and IDA lending in the region increased about 20% to \$408.4 million in fiscal 1974. As the accompanying table shows, IDA's share of the lending was almost half. The number of projects rose to 30 from 20 in the previous year. Ten projects are in support of agricultural and rural development. Ten are designed to strengthen infrastructural facilities, particularly for power and transport.

There are several innovative features in the year's activities.

Small farmers

The emphasis in all 10 projects for agricultural and rural development supported by the Bank and IDA is on increasing the productivity and cash incomes of small farmers who dominate the rural scene in Eastern Africa, and on improving health, education and other social services in the countryside. A central feature of most of these projects is the attempt to blend subsistence crop with cash crop production.

This is true, for instance, of the Geita cotton development project in Tanzania, for which an IDA credit of \$17.5 million was approved in January. Cotton is Tanzania's most important export crop. Traditionally grown by smallholders, it has provided cash incomes to about a tenth of all farm families in the country. Most cotton production in Tanzania comes from farmers who grow cotton on about three

acres of land. Per capita annual income in the Geita district on the southern shore of Lake Victoria is \$45—less than half of the national average. This project supports a seven-year program for expanding cotton and maize production through the use of fertilizers, insecticides and other supplies provided on credit to smallholders and farmers living in *ujamaa* villages. (*Ujamaa* villages are a uniquely Tanzanian institution; they resemble, but are not identical to, cooperative farms in other societies.)

Though the emphasis is on increasing the district's cotton production (Geita has produced 16% of all Tanzanian cotton in the past five years), credit will also be extended to farmers to buy what they need for growing more maize. Maize is the staple food crop in the district. It is grown by virtually every farmer, and production is extremely responsive to improved inputs. An estimated 29,000 farm families may benefit from the project, and their cash incomes are expected to increase by two-thirds in seven years' time. The project, suitably modified by the lessons of experience, might provide the pattern for the intensification of cotton production in other areas of Tanzania over the next generation.

Livestock in Rwanda

An IDA credit of \$3.8 million for an agricultural development project in Rwanda marks the first time IDA is assisting agricultural development in that country. Agriculture contributes 55% of gross domestic product and 65% of export earnings in Rwanda. Most of the land is tilled by smallholder subsistence farmers using traditional tools and techniques; annual yields generally come to no more than \$200 per family. The extreme scarcity of arable land, given the country's heavy population pressure, means that improvements in farming methods are urgently needed to increase farm family incomes.

The project consists of the simultaneous development, over a period of five years, of food and cash crops through organized cropping and of livestock production on small ranching settlements. More specifically, it seeks to establish a 30,000-acre government-organized settlement of more than 6,000 farm families and 120 group ranches on 82,500 acres for cattle producers who are willing to raise their cattle collectively. Grazing plots, roads, water supply and cattle-handling facilities will all be provided. The project includes measures to eradicate the tsetse fly from the area, and a feasibility study for the complete eradication of the tsetse fly from all of Rwanda will also be financed.

In Somalia, the Trans-Juba livestock project, to be supported by an IDA credit of \$10 million, is yet another illustration of the effort to improve the level of living of the small-scale herdsman. Livestock, of utmost importance to

the Somali economy, has great unexploited potential. Among the major constraints in livestock development is the inadequacy of marketing, water and health facilities. Under the project, five markets will be constructed to give nomadic herdsmen an incentive to sell more cattle to the national Livestock Development Authority. Water supplies, staging points and other improvements on 620 miles of existing stock routes, as well as a 50,000-acre holding ground, will be provided, and five veterinary centers and veterinary dispensaries will be constructed. The project is expected to provide two benefits in particular. First, the annual cash incomes of about 20,000 nomadic families are likely to increase by about half. Second, as the quality of meat improves, and as sanitary and health conditions are met, drawn and dressed Somali meats could be sold to many more countries.

Rural public works program

While increased employment is an important consequence of all rural development projects, it is the central purpose of a rural development project which IDA is helping to finance in Mauritius. The project marks the first time the Bank Group is supporting a rural public works program with the creation of productive employment as its major objective. In 1972, unemployment in Mauritius totaled 16% of the labor force—despite the Government's considerable efforts to increase the number of jobs and encourage emigration. A \$4 million IDA credit will help cover two years (1974 and 1975) of the country's program of rural development and employment creation. During its execution, it is expected to create temporary employment for about 7,500 men and, after completion, will provide an estimated 1,000 permanent jobs.

A major component of the project is a "rural village improvement" program consisting of basic amenities—public water taps, health centers, simple access roads, internal roads, markets and community centers—to the poorest 86 villages of Mauritius. The villages have been selected on the basis of a "poverty index" reflecting the extent of unemployment and underemployment, the availability of village amenities, housing conditions, and transport facilities.

Two unusual projects which IDA is assisting are the agricultural rehabilitation project in southern Sudan and the drought relief project in Ethiopia. Both projects focus on reconstruction and rehabilitation.

The Sudanese project, for which IDA has approved a credit of \$10.7 million, is intended to rehabilitate the agricultural sector in southern Sudan by reestablishing peasants and herdsmen—many of whom are refugees returning from other countries after a decade of civil strife—and by laying the foundations for longer-

term development through the restoration of the region's self-sufficiency in food. More specifically, it aims at increasing food production by the multiplication and sale of improved seeds, supported by extension services and nutritional advice.

The Ethiopian project, which is being supported by an IDA credit of \$10 million, will help a country faced with serious famine after the failure of the rains. The tragedy of death and debilitation of the people and their work oxen has followed two years of inadequate and untimely rainfall. The project will assist rehabilitation efforts in the drought-stricken areas of Wollo and Tigre. In addition, the project has begun to set in motion the machinery to develop a "drought-proofing" program for the future, involving land and water use planning and development.

Approximately 2 million people have been seriously affected by the drought; it is estimated that as many as half of them may be assisted in one way or another by the project. The interim relief includes the development of rural groundwater for human and animal consumption, expansion and maintenance of about 950 miles of rural roads, and the development of rural tracks and stock routes. Earthen embankments will also be built to promote flood irrigation for food production and pasture, and rural crafts and industries will be established to aid the rehabilitation of rural artisans and widowed women. Valuable experience for longer-term programs will be gained by a pilot project dealing with the physical, institutional and tenurial problems which have long hampered productivity and contributed to rural poverty in the highlands area.

A Bank loan of \$115 million for the Kafue project—the largest loan ever made by the Bank to a country in sub-Saharan Africa—will help finance the second stage of a program for hydroelectric development on the Kafue river, a tributary of the Zambesi, and a major source of low-cost power for Zambia. When completed in 1977, it will meet the rapidly growing needs for power for the expanding mining industry. Mining, which dominates the Zambian economy by accounting for about 95% of its foreign exchange earnings, 40% of gross domestic product, and 60% of government revenues, also uses about 80% of that country's electricity.

Population planning in Kenya

An IDA credit of \$12 million to Kenya represents the first time the Bank Group is assisting a population project south of the Sahara. Although Kenya's economy has been growing rapidly, the population growth rate of 3.3%

is among the highest in the world, and threatens an increase in rural poverty and urban unemployment. The Kenyan Government has, therefore, set up a five-year family planning program which is being supported by the Bank Group, the United Nations Fund for Population Activities, and several bilateral donors. The IDA credit will provide assistance for a national family welfare center, with a family planning clinic and a health education unit attached to it. Five community nurse training schools, with a capacity for 700 students, and 27 rural health training centers will also be constructed.

While the year's activities in the region have incorporated a number of innovative features, Bank and IDA lending in relatively traditional sectors such as transportation, industry (including development finance companies) and telecommunications has continued to increase. The sole exception has been the education sector. There, the year's emphasis has been primarily on sector work and project identification and preparation. Opportunities have been explored for assisting the development of education in Ethiopia, Burundi, Kenya, Lesotho, the Malagasy Republic, Mauritius, Rwanda, Somalia, Sudan, Swaziland, Zaire and Zambia. Furthermore, IDA has helped to finance many rural development projects which have had important education components: the village livestock and rural development project in the Malagasy Republic, the lower Adiabo agriculture project in Ethiopia, and the Geita cotton project in Tanzania.

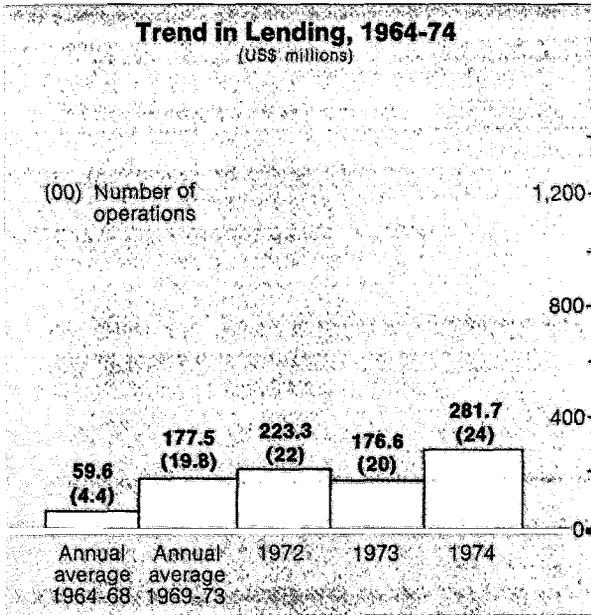
Field offices

In order to facilitate further the development and implementation of the Bank Group's program of activities, the role of field offices in the region has been enlarged during the year. New Resident Mission offices have been established in Kenya, Sudan, Tanzania and Zambia. (Resident Missions were established in Ethiopia and Zaire in the past.) The Kenya mission office is a separate responsibility of the Director of the Regional Mission in Eastern Africa, based in Nairobi.

The staff of the Resident Mission in Zaire has been significantly expanded during the year, and has been given broad functions, including the primary responsibility for formulating and conducting the Bank's activities in the country.

The Regional Mission in Eastern Africa, primarily engaged in identifying, preparing and supervising projects in the transportation, education and agricultural sectors, has also been strengthened and reorganized. The mission's responsibilities and authority in assisting project implementation have been expanded.

Western Africa



Current borrowers	Population (000) ⁽¹⁾	Per capita GNP (US\$) 1972
Cameroon	6,084	200
Central African Republic	1,673	160
Chad	3,780	80
Congo, People's Republic of	1,151	300
Dahomey	2,862	110
Equatorial Guinea	301	240
Gabon	494	880
Gambia, The	377	140
Ghana	9,086	300
Guinea	5,100	90
Ivory Coast	5,400	340
Liberia	1,617	220
Mali	5,260	70
Mauritania	1,205	180
Niger	4,248	90
Nigeria	69,700	130
Senegal	3,990	260
Sierra Leone	2,730	190
Togo	2,052	160
Upper Volta	5,613	70

⁽¹⁾ Estimated as of mid-1972.

Developments in the region during the year have been marked by more drought and the commodity price explosion. The Sahelian countries, especially the landlocked ones, have suffered badly on both counts. The coastal countries have benefited from increasing export commodity prices and the oil exporters among them—notably Nigeria—have benefited extraordinarily. Economic growth during the year has been led mainly by increased production and exports of petroleum, as well as other mineral and forestry products, rather than by agriculture, a sector on which 70% of the population depends and whose output, due to the continued drought, has actually declined. For the region as a whole, economic growth has barely kept pace with population growth, and income disparities within and between individual countries have generally widened.

The Sahelian drought—the worst of the century and now in its sixth consecutive year—has continued unabated. While previously largely

confined to Chad, Mali, Mauritania, Niger, Senegal and Upper Volta, it has begun to reach serious proportions in the northern parts of Dahomey and Nigeria. Agricultural output has continued its sharp decline, and cattle herds have been further reduced. The cumulative losses from the years of drought now amount to as many as 4 million head—30% of the economic livestock of the six countries, according to the Food and Agriculture Organization of the United Nations (FAO). The drought has also created social problems: refugees from drought areas have flocked to the towns, adding to urban unemployment and tensions. The lack of protein in the diet, due to the massive loss of livestock, has already severely affected the productive capacity of many adults, and is likely to impair the physical and mental growth of children.

World prices for many commodities produced in the region have risen dramatically during the year. Prices have roughly quad-

ruled for petroleum, tripled for phosphates, and doubled for cocoa, groundnuts, palm oil, cotton, rubber and timber. Price increases for coffee, beef, iron ore and manganese have been less dramatic but still substantial; and strong pressures for a major increase in bauxite prices have already surfaced. At the same time, prices for essential food imports have also sharply increased (tripled for rice, doubled for sugar), and prices for imported industrial goods have risen as well.

The immediate impact of these increases on individual countries has varied, ranging from boom in Nigeria, Gabon and the People's Republic of Congo, which export petroleum as well as other commodities, to severe hardship in the landlocked Sahelian countries, heavily dependent as they are on fuel and other imports. (The latter group, because of the drought, has on balance benefited only marginally from increased prices for their exports — cotton, groundnuts and livestock.) For the Sahelian nations, the cost of fuel imports may well rise from 8% of their export earnings in 1972 to 20% in 1975. More serious still, the higher fuel prices will increase the already high cost of transporting agricultural exports to the ports. They will add to the cost and thereby could reduce the use of fertilizer, a critical input in agricultural development. They will also increase the cost of pumping water since, even before the rise in oil prices, fuel represented 50% of the operating expenses of irrigation projects. Rural consumers will be affected by higher prices for kerosene, their only "modern" source of energy.

The coastal countries which do not export petroleum (Dahomey, the Ivory Coast, Sierra Leone and Togo, for instance) have found themselves in intermediate positions. Their increased export earnings have generally outweighed higher costs for imports of fuel, food and manufactured goods. This precarious situation is apt to change, however, as the prices of fuel and most other imports, including food, may rise faster than the prices of exports, some of which (such as cocoa and ores) might actually decline. In some countries, higher government revenues—made possible by buoyant export earnings—have been translated into increased development expenditures; and increased earnings derived mainly from agricultural commodities (in Ghana and the Ivory Coast, for instance) have helped reduce disparities between rural and urban incomes, particularly where accompanied by higher prices for producers or increased expenditures for rural development.

With soaring petroleum production and prices, Nigeria's economy has been the fastest-growing in the region. Production of petroleum, practically all of which is exported, rose by some 10% to more than 2 million barrels daily, making the country the world's sixth largest petroleum exporter. The recent increases

in petroleum prices have quadrupled the Government's share per barrel and boosted total Government revenues substantially. Nigeria now has the financial resources to bring about a rapid transformation of its economy, translating its resources from petroleum into higher productivity and living standards for much of the population, both urban and rural. Since 1970, annual growth in real terms has averaged 9% for gross domestic product, and 13% for exports. Recently, however, growth rates have been rather less, as the drought in the northern areas has cut deeply into agricultural output and exports.

Substantial increase

During the year, Bank and IDA activities in the region increased substantially over the fiscal 1973 level, and IDA lending set a record. Notable features included:

- a strong shift towards agriculture and rural development;
- innovations in the nature and design of some projects; and
- special aid to areas affected by drought and disease.

In addition, the Bank and IDA expanded the flow of technical assistance and tackled problems transcending national borders.

The proportion of lending for agriculture in the year's total rose to 29%, compared with 22% in fiscal 1973. The volume of such lending was, in fact, more than double the 1969-73 average. The share of transportation lending also increased; agriculture and transportation together thus accounted for more than three-quarters of the year's total. This reflects the close interrelation between the two sectors in the region: without improved transportation to markets, additional agricultural production—the potential for which is great—cannot materialize. Significantly, agricultural projects assisted by the Bank and IDA in fiscal 1974 included about 3,750 miles of feeder roads, a large increase over previous years.

Evolving Bank and IDA strategies for activities in the agricultural sector aim at spreading the benefits of development more widely, with particular emphasis on alleviating rural poverty. An important element in this strategy is the improvement in nutritional and health levels by increasing food crop and livestock production.

In Chad, a country included in the U. N.'s list of "least developed," a \$7.5 million IDA credit for an irrigation project in the Logone Valley will help raise rice production 250% by 1982, and may almost double the incomes of 11,500 persons living in the project area. Increased irrigation in those areas of Chad with adequate water supplies is believed to be the surest way to combat the effects of frequent droughts. The project area today supplies less than one-third of Chad's domestic demand for rice. By 1982, it will be able to supply half the demand even

though demand itself is expected to double during the same period. Average per capita incomes of those living in dike-protected areas will rise to \$108 yearly; for those living contiguous to those areas, annual incomes are expected to increase from \$52 to \$73. The project will thus help bridge the income gap between this particularly poor segment of the population and those earning the equivalent of the country's average yearly per capita income of \$80.

Rural development

Two of the year's IDA credits are to help finance rural development projects in Mali and Upper Volta—also countries classified by the U. N. as "least developed." Production of food for domestic consumption in Mali—principally millet and sorghum—has declined steadily. Supplies of foodgrains handled by official marketing channels have decreased from 60,000 tons in 1967 to an average of about 15,000 tons in the last two or three years. Export crops—notably peanuts—however, have increased during the same period, despite the ravages of the recent drought. This increase has been due in considerable part to the success of a Government-initiated program which has promoted better farming methods and modern inputs among groundnut growers, and which has successfully reorganized the marketing of the crop.

A rural development project, supported by an \$8 million IDA credit, hopes to build on this Government-initiated success; now, foodgrain production will be given an importance comparable to groundnut cultivation. The IDA credit will supply farm inputs for cash or on credit to participating farmers in an area stretching 500 miles on an east-west line just north of Mali's capital of Bamako. The project will also include spot repairs on a network of almost 1,000 miles of rural roads, the expansion

of a functional literacy program, financing of agricultural research, and the improvement of medical facilities and veterinary services. At full development, more than 100,000 farming families—about one million people—will be participating in the project.

In Upper Volta, an \$8 million IDA credit for rural development may, at least indirectly, affect the lives of every person living in one of the country's 11 areas served by a Government-created regional development agency. These 360,000 people account for about 7% of Upper Volta's population. Some 16,000 farm families are expected to benefit directly, and an equal number will benefit from improved water supplies and better access to health facilities and other social services.

The area served by the project lies in the southwestern part of the country, and is at present free of onchocerciasis (river blindness). The project, the first major effort in developing the natural and human resources of this potentially productive region, will provide farm families with extension and other support services, including seasonal credit for insecticide and fertilizer purchases; create a research station to carry out adaptive research and operate a seed multiplication unit; improve more than 400 miles of secondary and tertiary roads; and provide technical assistance to the Ministry of Agriculture. The cotton to be grown in the area will be exported, as will about one-third of the livestock. Cereal production, however, will be for domestic consumption, thus reducing the Government's import bill for food.

A livestock project in Cameroon, for which the Bank made a loan of \$11.6 million, will help establish three 50,000-acre state ranches and will assist in the development of livestock production on 150 private ranches and farms. The project is significant in that it will involve fundamental changes in land tenure arrangements. For the first time, Cameroon's herdsmen will be

Lending to Current Borrowers in Western Africa, by Sectors

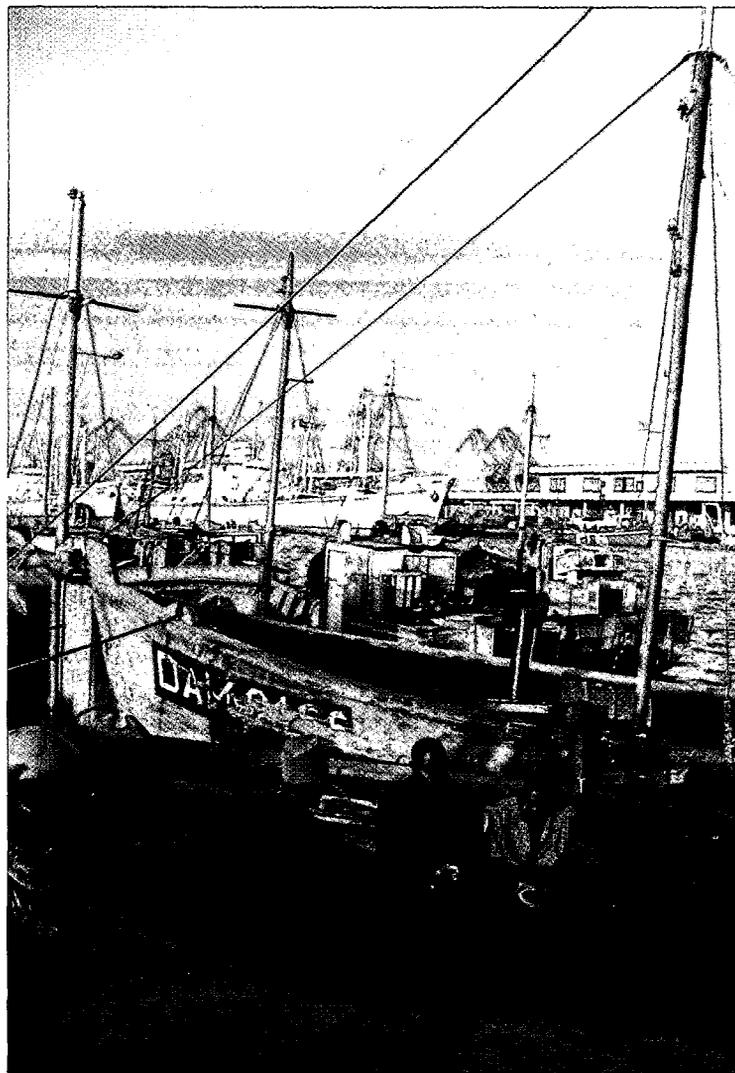
(US\$ millions. Fiscal years)

	Annual average 1964-68	Annual average 1969-73	1972	1973	1974
Agriculture	\$ 3.6	\$ 30.6	\$ 30.8	\$ 39.7	\$ 81.0
Education	4.4	26.7	37.4	61.9	4.7
Industry and mining (including DFCs)	6.0	3.4	1.0	—	3.6
Non-project	—	16.0 ⁽¹⁾	—	—	—
Power	25.2	23.9	76.0	—	2.9
Telecommunications	—	3.0	3.6	10.8	25.0
Transportation	20.4	68.7	66.5	54.7	154.1
Urbanization	—	1.6	8.0	—	—
Water and sewerage	—	3.6	—	9.5	10.4
Total	\$ 59.6	\$177.5	\$223.3	\$176.6	\$281.7
Of which: Bank	\$ 42.9	\$117.8	\$144.5	\$ 85.9	\$160.7
IDA	\$ 16.7	\$ 59.7	\$ 78.8	\$ 90.7	\$121.0

Details may not add to totals because of rounding.

⁽¹⁾One rehabilitation loan of \$80 million to Nigeria in FY1971 has been "averaged" over a five-year period.

The port of Dakar.
The Bank is helping to determine the feasibility of constructing in Senegal the first large-scale ship repair facility in a developing country south of the Sahara.



given 20-year leases as a security and incentive to improve their production methods. Much of Cameroon's pastoral land, ideal for livestock development, has been neglected by herdsmen because of the risks of infection by tsetse fly-borne trypanosomiasis. The Bank loan provides for a tsetse fly extermination campaign to cover 2 million acres. Once freed of the fly, the area should provide suitable grazing for the herds of about 1,000 traditional pastoral families—or, at the least, 100,000 cattle.

Livestock development is also the object of IDA credits to the People's Republic of Congo and Ghana.

Improving transportation

Improved transportation is vital for the economic development of the region—doubly so for its landlocked countries. Thus, the increase in the volume of lending for transportation has

paralleled—and even surpassed—that for agriculture. Reflecting the increased emphasis on rural development, all Bank Group-assisted road projects in the region have included studies focusing on improving the secondary and tertiary road systems of the countries involved—Cameroon, Chad, Ghana and Togo.

A project in Chad, which is being supported by an IDA credit of \$3.5 million, reflects dramatically the coincidence of agricultural and transportation needs and interests. The project—which involves the improvement and maintenance of 500 miles of feeder roads—is not only a transport operation; the feeder roads to be improved are part of a broader program for agricultural development in southern Chad.

Cotton is Chad's main cash crop as well as its major source of foreign exchange. The five-year agricultural development plan (1973-77) is one phase of a long-term integrated program of

cotton development for the whole of southern Chad, where about 98% of the country's cotton is produced. The 500 miles of roads to be improved carry the heaviest traffic and have suffered the greatest deterioration of all the feeder roads in southern Chad. Though they represent less than 10% of all cotton feeder roads, they transport about 40% of the seed-cotton production in the area. Improving them will facilitate a larger increase in production. The present condition of the roads imposes random and long delays on the production process when vehicles break down and cannot deliver agricultural materials needed by the farmers. Cotton production declines unless sowing, spraying and fertilizing are properly timed. Improving the existing roads will make proper timing possible and, in addition, will enable agricultural extension service staff to reach more farmers.

Other Bank and IDA lending in the transportation sector has included a project involving a major extension—necessitated by the rapid growth of the Nigerian economy—of the port of Lagos, and another which will make improvements at Niger's Niamey airport.

Niger, confronted with the technological demands imposed by the evolution of air transport, must either build an airport with characteristics comparable to the other busier international airports in the region, or suffer eviction from the intercontinental network. The \$5 million project will lengthen and strengthen the runway; add aircraft parking positions; and help stimulate exports of meat and vegetables which, because they are perishable, must rely on air transport.

Feasibility studies

To help diversify Senegal's basically monocultural economy, the Bank has approved a \$600,000 loan to help cover the costs of technical, market and economic studies essential to determining the feasibility of a project for the construction at Dakar of a dry dock and ship repair yard capable of handling large tankers and bulk carriers of up to 500,000 deadweight tons. If the project materializes, it would constitute the first large-scale ship repair facility in a developing country south of the Sahara.

An education project in Mauritania, assisted by a \$3.8 million IDA credit, features innovative elements reflecting a new strategy in this important sector. The strategy emphasizes basic education (reading, writing and arithmetic) which is both culturally and nationally relevant, and the use of nonformal education techniques. A key element in the project is an experimental study of the traditional Koranic school system to determine the feasibility of introducing into it some limited elements of basic education. If it can be done, a change in the structure of the education system could

lead to the provision of basic education for a large proportion of the children. The study will also look into the possibility of including more adult training in the Koranic system. To meet the needs of the adult rural population, a farmer radio programming center will be established to complement the currently inadequate extension services. Mobile teams will also visit farming areas to assess the effectiveness of the program and to promote better understanding between the people and Government agencies.

Drought relief

Responding to the Sahelian drought, and as part of a concerted international aid effort, the Bank Group helped to put together a relief project and has extended IDA credits totaling \$14 million to Chad, Mali, Mauritania, Niger, Senegal and Upper Volta. The project aims at helping people in the drought-affected areas to regain their self-sufficiency through the redevelopment of their farms and herds. It is being implemented through sub-projects involving rural water supplies, tubewells, earth dams, livestock disease control and grain storage facilities. Bank missions, visiting the six countries, approved sub-projects on the spot, and by the end of June, all the funds had been committed.

On-going Bank and IDA activities are focused on the longer-term task of protecting the Sahel from the more critical consequences of drought. Capital-intensive irrigation systematically harnessing the area's principal scarce resource, water, is a necessary complement to labor-intensive rainfed agriculture if the Sahelian countries are to be able to meet substantial portions of their food needs. The Gorgol irrigation project in Mauritania is a step in this direction; a \$1.1 million IDA credit is helping finance an engineering study for it.

River blindness

Control of river blindness in the Volta river basin has taken a big, initial step forward as a \$120 million international action plan for the next 20 years has been set up. The disease, which is transmitted by a species of black fly and ultimately causes partial or total blindness, has forced thousands of people to move away from some of the most fertile river valleys in Dahomey, Ghana, the Ivory Coast, Mali, Niger, Togo and Upper Volta. Of the 10 million people living in the afflicted areas, about 1 million have the disease and at least 70,000 of them are blind or have serious sight impairment. The action plan is the result of joint efforts of the Governments of the countries affected, the Bank and three other international agencies—the FAO, the World Health Organization (WHO), and the United Nations Development Programme (UNDP). It provides for systematic eradication of the black fly larvae by means of bio-degradable insecticides so that, eventually,

repopulation of the fertile areas and their economic development will be possible. Implementation of the plan, beginning in 1974, has been entrusted to WHO, working in close association with the other three agencies. The Bank has undertaken to mobilize on a worldwide basis the money required, and has so far received the initial commitments covering the plan's first-year costs.

The Bank and IDA have expanded the flow of technical assistance through the projects they have helped to finance and by strengthening their resident missions in the region. Technical assistance built into projects will help ensure their effective implementation and will strengthen the national services concerned by training of local counterparts. Jointly with UNDP and the U.S. Agency for International Development, the Bank has begun a project of technical assistance for development planning in Liberia under which a team of experts will assist the Government in drawing up a development plan. Assistance in development planning has also been extended to the Government of Ghana by an economist attached to the Bank's Resident Mission in Accra. Assistance in project identification and preparation has been further increased by strengthening the Regional Mission in Western Africa based in Abidjan (Ivory Coast) and the Resident Mission in Ni-

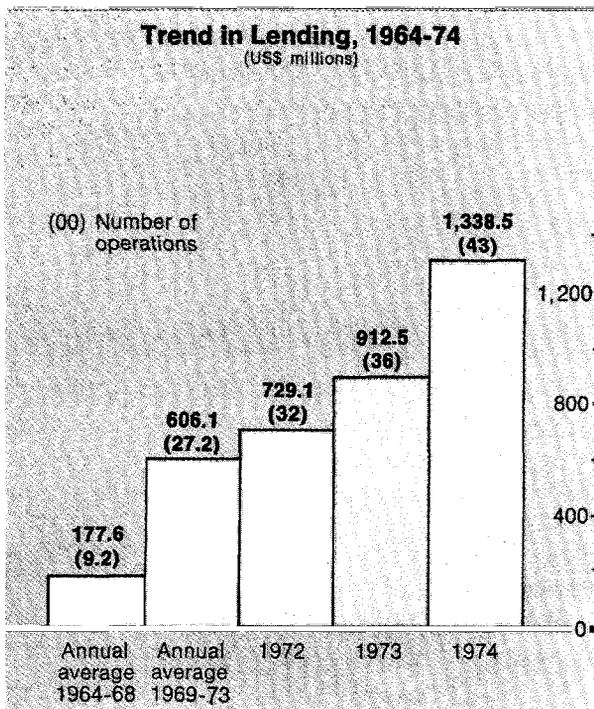
geria, and by the posting of a Resident Representative in Upper Volta.

Regional studies

Several problems of development cut across national borders and thus require a regional rather than a country-by-country approach. The development of alternative agricultural techniques (including irrigation) in the Sahel, better utilization of the region's forestry resources, and industrialization are cases in point: the appropriate regional studies have been, or are being, organized.

A survey of irrigation potential in the Sahel will examine alternative systems of irrigation and their costs, and will develop a program for the preparation of suitable projects. A regional forestry sector study, including forest products industries, and covering the major forest countries of Western Africa, seeks to identify policies and broad investment strategies that would enable these countries, both individually and as a group, to benefit more fully from their forest resources. A regional industry sector study encompassing Ghana, the Ivory Coast, Mali and Senegal is focusing on alternative industrial development strategies with particular emphasis on improved regional trade and promotion of small-scale industry.

Europe, Middle East and North Africa



Current borrowers	Population (000) ⁽¹⁾	Per capita GNP (US\$) 1972
Afghanistan	14,878	80
Algeria	14,260	430
Bahrain	224	670
Cyprus	645	1,180
Egypt, Arab Republic of	34,840	240
Finland	4,690	2,810
Greece	8,940	1,460
Iceland	207	2,800
Iran	31,169	490
Iraq	10,070	370
Ireland	3,010	1,580
Israel	3,080	2,610
Jordan	2,470	270
Lebanon	2,890	700
Morocco	15,840	270
Oman	600	530
Romania	20,700	810
Spain	34,369	1,210
Syrian Arab Republic	6,740	320
Tunisia	5,340	380
Turkey	37,010	370
Yemen Arab Republic	6,060	90
Yemen, People's		
Democratic Republic of	1,510	100
Yugoslavia	20,772	810

⁽¹⁾ Estimated as of mid-1972.

This region has been the center of some of the year's most dramatic economic events, embracing as it does most of the world's major petroleum-exporting countries. The resources, economic structure and level of development of individual countries—both those which export petroleum and those which do not—differ widely. The petroleum situation has therefore affected each differently.

At one end of the range are countries like Algeria, Iran, Iraq, Kuwait, Libya, Oman, Qatar, Saudi Arabia and the United Arab Emirates—all major petroleum exporters where the Bank and IDA have in recent years raised money, supported projects or provided technical assistance. Taken together, their earnings from petroleum exports, having risen from about \$15,000 million in 1972 to \$26,000 million in

1973, are projected to reach over \$90,000 million in 1974. Most of them—with the possible exception of Algeria—are likely to earn far more foreign exchange than they can invest domestically for their own development, at least in the short run.

Further along the line are a number of countries whose production of petroleum is smaller. In this group, for instance, are Syria and Tunisia, which may find that their revenues from petroleum exports are increasing significantly but still remain small in relation to development needs. Two other countries, Egypt and Romania, export about as much petroleum or petroleum products as they import, so their net earnings from oil may not be greatly affected.

The rest of the current borrowers in the region—Afghanistan, Cyprus, Finland, Greece,

Iceland, Ireland, Israel, Jordan, Lebanon, Morocco, Spain, Turkey, the Yemen Arab Republic, the People's Democratic Republic of Yemen, and Yugoslavia—are net importers of oil products and consequently their import bills are increasing significantly. But the immediate burden on each is different according to (a) its reliance on imported petroleum as a source of energy; (b) the structure of its economy in terms of interdependence between sectors depending on petroleum and the rest of the economy; (c) the level and growth of petroleum imports in relation to the level and growth of total imports, exports and foreign exchange reserves; and (d) the importance of other factors, such as the availability of external assistance and the outlook for key exports.

A number of countries have been affected, not only by having to pay more for oil and other imports, but also because their earnings from workers' remittances or tourism may slow down. Some of the smallest countries—Cyprus, the Yemen Arab Republic and the People's Democratic Republic of Yemen—have almost no domestic sources of energy. The two Yemens, in particular, are among the poorest countries in the world; as such, they face especially difficult problems in developing viable, self-sustaining economies. Adjustment to the new situation may require special support from outside in their case.

Institutional framework

For the petroleum-exporting countries, the problem of absorptive capacity has assumed high priority. They are trying to acquire quickly the skilled manpower and the institutional framework necessary to build strong and diversified national economies geared for the time when petroleum earnings may decline. They recognize the need to develop a modern economic system which could use the income from oil to raise production, employment and living standards for their people.

The sharp rise in the potential export earnings and foreign exchange assets of the region's major petroleum-exporting countries has influenced the Bank Group's activities in a number of ways. One is that the Bank's borrowings from such countries have risen. Another is that the need for technical assistance of the sort the Bank Group is in a position to offer has increased substantially. A third is that as the activities, resources and numbers of development financing institutions based in the region have grown, the Bank and IDA have sought to increase their cooperation with them.

The rise in the Bank's borrowings in the Middle East and North Africa has been noteworthy. Since July 1973, the Bank has borrowed \$200 million from Iran, KD 25 million (\$84.4 million) from Kuwait, LD 30 million (\$101.3 million) from Libya, and DH 300 million (\$76 million) from Abu Dhabi. (In addition,

arrangements have been made to borrow a sum of SRIs 500 million, equivalent to \$140.8 million, from the Saudi Arabian Monetary Agency and \$30 million from Oman. The borrowing from Saudi Arabia is scheduled for settlement in August-September 1974 and that from Oman in July-December 1974.) The fiscal 1974 total of \$461.7 million equivalent is a record; it compares with a figure of \$146.5 million for fiscal 1973, and an annual average of \$48 million for the five years, 1968-72. The sums raised from Iran, Oman and Abu Dhabi represent the Bank's first long-term borrowings in those countries; they constitute an important step forward in its efforts to diversify the sources of its funds. (A number of countries in the Middle East and North Africa have over the years participated in the Bank's Two Year Dollar Bond issues offered to central banks, governments and government institutions all over the world.)

Technical assistance

The Bank's new relationship with Iran provides an example of the adjustments that are being made in response to the changing situation. With the sharp increase in its earnings from petroleum exports, Iran does not need the Bank's financial assistance. But it does want the Bank's technical assistance, and the Iranian Government has confirmed its desire to continue an active association with the Bank on this basis for the help which can be provided for institution-building in high-priority sectors, where substantial structural changes and administrative and financial improvements are required. A new financial relationship has been worked out under which Iran has become a net lender to the Bank. The loan of \$200 million from Iran to the World Bank signed in March marked the start of this relationship. Apart from this type of lending, the Iranian Government has also agreed to "offset" periodically by additional loans to the Bank, or by other methods, any future commitments the Bank makes to Iran.

Meanwhile, the Agricultural Task Force which the Bank has stationed in the country at the Iranian Government's request continues to assist in devising an appropriate framework of institutions, policies and projects to promote development in the rural sector. Special attention is being given to the needs of small farmers.

The largest oil-exporting country, Saudi Arabia, is one which has lent to the Bank and never borrowed from it. It has received the Bank's technical assistance, but outside the framework of project financing. It values help and advice of the type the Bank often gives elsewhere as an adjunct to financial assistance. Under an agreement reached in January, the Bank has launched a number of specific technical assistance activities in Saudi Arabia. Firstly, Saudi personnel have been trained to

participate in conducting a "general projects course" which is being organized in that country jointly by the Bank's Economic Development Institute and the Government's Institute of Public Administration. Secondly, assistance is being given in preparing and supervising a feasibility study for building a land connection between Saudi Arabia and Bahrain. Thirdly, a sector survey is being undertaken to provide a detailed and comprehensive plan for developing the manpower resources of Saudi Arabia required for its economic development.

Projects in Oman

Oman offers another interesting example of the new relationships. It is a country where most of the people are extremely poor. They depend heavily on subsistence agriculture and fishing. The constraints to development are severe. Basic information and data are scarce. There is an extreme shortage of local skilled manpower, and of the institutions necessary for economic development. The framework of economic policies and objectives is lacking. The Government has sought the Bank's assistance in overcoming these basic constraints. Consequently, in April, the Bank made its first two loans to the Sultanate—one of \$2.75 million for technical assistance and the other of \$5.7 million for education.

The technical assistance project will help deal with problems of institutional development, data collection, planning, project preparation and on-the-job training. The education project will begin tackling the critical needs for skilled manpower and for an education system geared to Oman's circumstances and

requirements. The Bank's objectives are to help Oman enlarge its capacity to use its oil revenues effectively and broaden the benefits of the country's wealth, and to begin diversifying the economy.

Oman's oil revenues, although far smaller than those of its neighbors, have been rising rapidly. They have enabled it to initiate some major investments during the past three years in physical infrastructure—a port, an airport and major roads near the nation's capital. But the constraints on development remain so severe that the country cannot use all of its petroleum revenues for its own development. It has, therefore, sought ways of using part of the surplus to assist other developing countries, such as by buying World Bank bonds and by contributing to the resources of other development financing institutions in the region.

Growing cooperation

An important result of the predicted increase in the foreign exchange assets of some countries is that new institutions based in the region itself are expanding their activities in the field of financing development efforts in other countries. Cooperation between such institutions, on the one hand, and the Bank and IDA, on the other, has grown. In Syria, the Bank is collaborating with the Kuwait Fund for Arab Economic Development (KFAED) on the Mehardeh power project. In Oman and the Yemen Arab Republic, funds have been provided for advisory teams giving technical assistance. The Bank Group and the Arab Fund for Economic and Social Development (AFESD) are together helping to finance the construction of the port

Lending to Current Borrowers in Europe, Middle East and North Africa,⁽¹⁾ by Sectors

(US\$ millions. Fiscal years)

	Annual average 1964-68	Annual average 1969-73	1972	1973	1974
Agriculture	\$ 14.7	\$127.2	\$ 92.0	\$289.4	\$ 191.0
Education	5.5	36.8	89.8	36.1	41.7
Industry (including DFCs)	46.4	133.9	203.0	95.2	444.2
Population planning	—	4.3	—	16.5	5.0
Power	10.5	70.7	111.0	75.2	304.5
Technical assistance (including preinvestment studies)	—	—	—	—	2.8
Telecommunications	—	37.1	27.5	82.0	—
Tourism	—	10.8	24.0	—	5.6
Transportation	99.8	141.9	142.5	216.4	254.5
Urbanization	—	0.5	2.3	—	60.0
Water and sewerage	0.7	42.9	37.0	101.7	29.2
Total	\$177.6	\$606.1	\$729.1	\$912.5	\$1,338.5
Of which: Bank	\$156.5	\$529.8	\$602.4	\$768.9	\$1,246.5
IDA	\$ 21.1	\$ 76.3	\$126.7	\$143.6	\$ 92.0

Details may not add to totals because of rounding.

⁽¹⁾ Excludes \$497 million in early loans for European reconstruction and \$1,120.2 million in loans to nine higher-income countries which are no longer borrowers. Includes loans to Finland, Iceland, Ireland and Israel which have continued to obtain some of their capital needs from the Bank; loans to these countries totaled \$281.6 million in 1969-73 and \$77 million in 1974.

Lending to Current Borrowers in Europe, Middle East and North Africa, by Geographic Areas

(US\$ millions. Percentages of total. Fiscal years)

	Annual average 1964-68		Annual average 1969-73		1972		1973		1974	
	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%
Northern Europe	17.5	9.9	35.3	5.8	28.0	3.8	45.0	4.9	42.0	3.1
Southern Europe	90.1	50.7	270.8	44.7	335.3	46.0	344.3	37.7	475.0	35.5
North Africa and Middle East ⁽¹⁾	70.0	39.4	299.9	49.5	365.8	50.2	523.2	57.4	821.5	61.4
Totals	177.6	100.0	606.0	100.0	729.1	100.0	912.5	100.0	1,338.5	100.0

Details may not add to totals because of rounding.

⁽¹⁾ Includes lending to Afghanistan and Iran.

of Bethioua in Algeria. IDA and a group of Arab lending agencies are assisting the Talkha fertilizer project in Egypt; those cooperating include the AFESD, the KFAED, the Abu Dhabi Fund, the Libyan Arab Foreign Bank and the State of Qatar.

As the accompanying table shows, in fiscal 1974 the total of Bank and IDA lending to countries in the region substantially exceeded the previous year's record. In terms of sectors, there was a particularly sharp increase in lending for industry (including several fertilizer projects), electric power, transportation and urban development. Assistance for agriculture fell short of the record figure for 1973, but was well above the total for any previous year. The loans made by the Bank during the year to two of its newer members—Oman and Romania—were the first to these countries.

The year's lending for industrial development was not only large; it was directed to a wide variety of projects, and involved both direct lending and indirect lending through DFCs. Approximately half of the total is to assist DFCs in Greece, Iran, Turkey and Yugoslavia. The remainder will support projects ranging from cotton ginning and fertilizer production in Egypt, paper production in Turkey and an industrial estate in the Yemen Arab Republic to the manufacture of fertilizers in Romania and tractors in Yugoslavia.

Industrial estate

An industrial estate project in the Yemen Arab Republic, for which IDA approved a \$2.3 million credit in January, is notable in two respects. Firstly, it is the Bank Group's first industrial project in any of the 25 "least developed" countries, with the exception of enclave and DFC projects. Secondly, it is essentially a pilot project that is designed to serve as a model of industrial development in a country where the industrialization process has just begun. It will test how rapidly and effectively the traditional entrepreneurial skills of the Yemenis as merchants and traders can be transformed into those of investors and managers of

industrial enterprises. The estate established under the project will provide a catalyst through which it is hoped to persuade traders, merchants and small-scale manufacturers to undertake the uncertainties and risks associated with longer-term investments. It will involve changes in the way they conduct their business, employ labor and sell their products. The hope is that importers of, say, furniture and footwear will become producers, and that new investors will be attracted. The project will provide access to sound practical, technical and financial advice on such aspects as the choice of industries and market prospects, and on the day-to-day problems of the enterprises in the first critical years.

A \$200 million fertilizer project, for which the Bank approved a loan of \$60 million in June, forms part of Romania's large-scale program to expand fertilizer production. Apart from satisfying important domestic needs for both nitrogenous and phosphatic fertilizers, the program will allow an increase in exports of nitrogenous fertilizer. The net foreign exchange benefits of the project to the country are estimated at about \$36 million a year. Fertilizer production in Romania grew from 416,000 tons of nutrients in 1966 to 1.2 million tons in 1972, and rapid expansion is planned for most of the 1970s to achieve a production of 3.4 million tons in 1980. The project will make optimum use of domestic natural gas resources—the ideal feedstock for producing nitrogenous fertilizer.

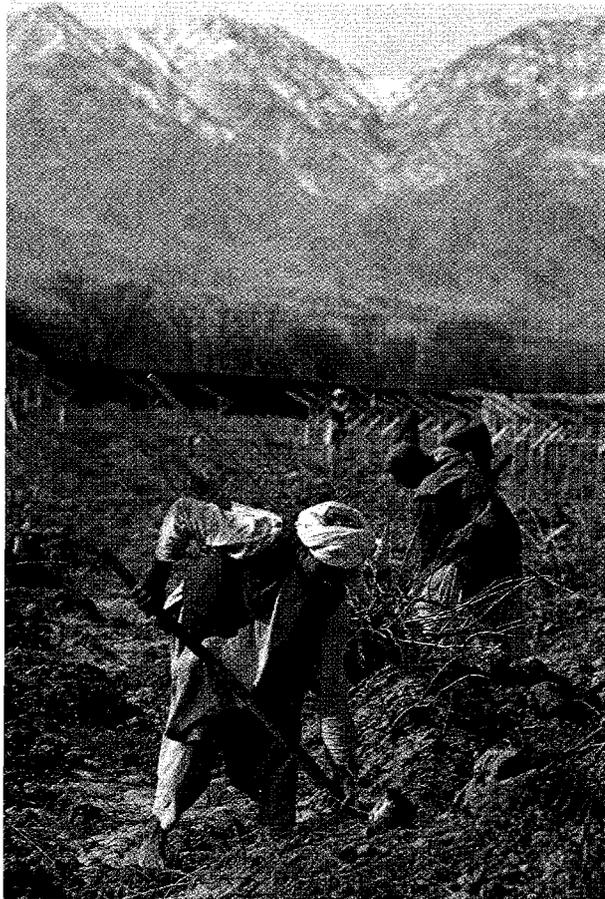
Irrigation projects

A substantial part of the year's lending for agriculture has been in support of irrigation projects. The semi-arid climate in many countries of the region means that access to, and use of, water is of critical importance in development planning. Since ancient times, the waters of their major river systems have been harnessed in complex irrigation works for large areas, while localized irrigation has been provided from wells and by capturing the runoff from flash flooding. The Bank and IDA have been helping to modernize and improve some

of the irrigation systems, and to assist in a better assessment of the water resource potential and its rational development.

The incentive to use water wisely has grown enormously as populations have expanded, and a recent trend in projects supported by the Bank and IDA has been the introduction of sprinkler irrigation. A major advantage of sprinkler irrigation is that it helps conserve water; another advantage is that it can be used efficiently even where land consolidation has not been carried out. The land tenure systems in many countries are based on old communal arrangements. It has proved extremely difficult to reorganize the systems in ways which would allow gravity-flow irrigation to be introduced. Sprinkler irrigation avoids much of this difficulty, and is particularly useful in bringing the benefits of irrigation to small farmers who have fragmented holdings. During the year, assistance was approved for three projects in which sprinkler irrigation is a feature; the projects are in Cyprus, Greece and Jordan.

Preparing the ground for grape cultivation in Afghanistan. IDA is helping provide funds for the purchase of modern agricultural inputs by farmers.



The one in Cyprus, for which the Bank approved a loan of \$14 million in January, will help to increase production of high-value exportable crops. Agriculture is the largest sector of the economy in Cyprus. It provides employment to 35% of the active population and makes up about half of the country's exports. The project, which is expected to cost about \$36 million, consists of various irrigation works, including 35 tubewells, an earthfill dam, a pressurized water distribution system, farm access roads, buildings, and credit for on-farm development. It will earn more than \$7 million in foreign exchange annually, and bring higher incomes for 3,500 farm families, as well as job opportunities for 1,300 landless families in the area. Most of those who will benefit are small farmers.

High priority

The Balikh irrigation project in Syria, for which a Bank loan of \$63 million and an IDA credit of \$10 million were approved in March, offers another example. Irrigation is of high priority for Syria's development. About two-thirds of the agricultural production is from rain-fed lands, but it fluctuates widely according to the weather cycle: in drought years crop yields are less than half those of good years. The number of sheep was reduced by half during the 1959-61 drought and it took ten years to reconstitute the flocks. Currently only 10% of the cultivated land is irrigated. Irrigation could double yields and lead to double-cropping, which would increase output still further.

The Balikh project is a crucial element in the Government's efforts to improve the rural environment. It will help 43,000 people, many of whom until recently were nomadic. It will make an important contribution to employment. The project provides for such aspects of rural development as extension services, health clinics, schools and control of malaria and bilharzia.

A population project in Egypt, for which IDA approved a credit of \$5 million in October, is the third such project in the region to be assisted by the Bank Group. The earlier ones were in Iran and Tunisia. Egypt's population has been growing rapidly, by about 2.5% per year; and this has led to a population density of about 2,500 persons per square mile of habitable land (which is only 3.5% of its territory). At the current population growth rate, Egypt would need to double its food supply, health services, educational facilities, housing and other infrastructure within 28 years, just to maintain the present conditions of life for the majority of its population.

Urban development

In urban development, the Bank and IDA approved assistance for two projects during the

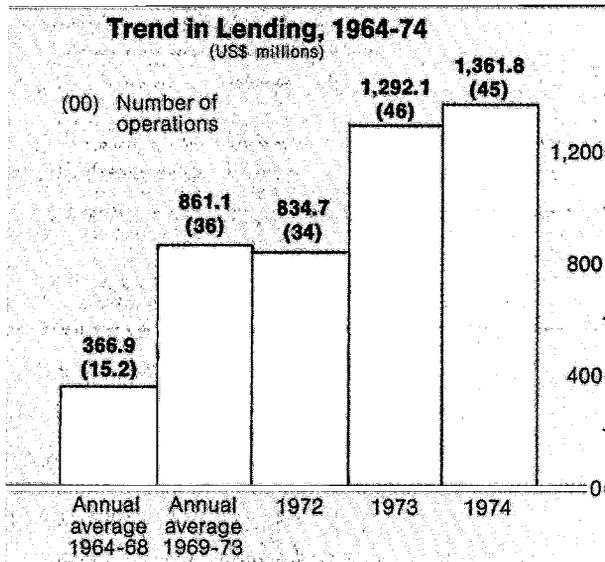
year—in Iran and Tunisia. The Tunisian project, which is being supported by a Bank loan of \$11 million and an IDA credit of \$7 million extended last August, has two main purposes: to help to draw up a long-term plan for the future development of Tunis, and to meet immediate needs for public transport. In order to enable the development of the Tunis area to be dealt with as a whole, instead of by sectors, the Government has created the Tunis District, which is to receive technical assistance in planning jointly financed by the Bank Group and the United Nations Development Programme. So as to meet immediate transport needs, the project will finance the replacement of worn-out buses, the expansion of the bus fleet, and the modernization of the Tunis-La Goulette-La Marsa suburban railway. One of the studies to be made will cover the future of transport in the area and is expected to recommend ways in which private cars can be subordinated to public services.

A similar purpose is to be served by the Iranian project, for which the Bank made a loan of \$42 million last August. The project, which includes advisory services, will help rehabilitate the bus system in Tehran in support of the Government's policy of strengthening public transport and reducing the proliferation of private cars. The growth of Tehran over the past

15 years has been far beyond expectations. In the course of developing this project, the Bank assisted the Government in creating the Tehran Development Council, an authority that is to be responsible for metropolitan planning of the city. The loan includes assistance to the new organization for studies of the future growth of the city.

In June, the Bank approved the largest loan it has ever made for a development project. The \$148 million loan will help finance a \$1,200 million joint lignite mine development and electric power generation scheme in Elbistan, Turkey. The project will be a significant part of Turkey's power expansion program over the next ten years. When completed, it will provide 1,200 megawatts of power. The lignite fuel alternative has been chosen after studying various possibilities since it demonstrates a better overall economic return than oil and means reduced reliance on foreign energy sources. Although the mine and plant are to be located in a barren, sparsely populated section of east-central Turkey, appropriate pollution controls will be provided. In addition to the direct benefits of increased energy, the lignite mine is expected to permit replacement of some traditional fuels (firewood and dung) with dried lignite, thus benefiting both agriculture and forestry.

Asia



Current borrowers	Population (000) ⁽¹⁾	Per capita GNP (US\$) 1972
Bangladesh	72,500	70
Burma	28,874	90
China, Republic of	15,130	490
Fiji	541	500
India	563,490	110
Indonesia	121,630	90
Khmer Republic	7,343	120
Korea, Republic of	32,360	310
Laos	3,110	130
Malaysia	11,450	430
Nepal	11,470	80
Pakistan	66,720	130
Papua New Guinea	2,581	290
Philippines	39,040	220
Singapore	2,147	1,300
Sri Lanka	13,198	110
Thailand	38,498	220
Viet Nam, Republic of	19,300	170
Western Samoa	150	260

⁽¹⁾ Estimated as of mid-1972.

Though the geographical, human, political and economic diversity of the countries of the Asian region is too great to make them fully amenable to simple classification, they can, from the economic point of view, be divided, albeit somewhat arbitrarily, into three groups.

In East Asia, there are many countries with abundant natural and mineral resources. There is also a small but growing group of countries that belies the notion that natural wealth is an indispensable prerequisite to economic growth. Finally, there are countries—essentially on the Indian subcontinent—with limited natural resources and huge numbers of people living in deep poverty.

For the first two groups, the year has proved to be buoyant economically—this on top of previous years, which also saw marked increases (due mainly to export growth) in gross national products. Economic expansion in the developed countries, and in particular, Japan's enormous import bill—it rose by over 63% in value in 1973, an increase of almost \$15,000

million—has provided a major boost to exports from the developing countries of the region. At the same time, primary commodity prices have reached very high levels, both in absolute dollar terms and in terms relative to import prices. For many commodities, the increases have been due mainly to increased demand, and not to supply shortages.

Exports from the Philippines, for example, have risen sharply. In 1973, they were up by about two-thirds, and reached almost \$2,000 million. The country's impressive performance, combined with an earlier improvement in its debt structure, has allowed it to double its international reserves despite an increase in import volumes and values. Thailand, too, has experienced a rise in prices for its major exports, as have most other primary commodity-producing countries. Thailand's 1973-74 rice crop promises to be a good one, and export prices for the grain are expected to remain at a level four times that of three years ago. Other exports have also increased, both in price and volume—maize, sugar, tin and rubber. Man-

ufactures, a small but increasingly significant component of total exports, have risen sharply.

Similar patterns have prevailed in Indonesia and Malaysia. Both have experienced a fast-increasing demand for their primary exports, favorable changes in their terms of trade, and much improved balance-of-payments positions. These developments have further stimulated their economies which, by and large, had been growing at rates of around 6% in constant prices during previous years. In 1973, for instance, real national income—product at constant prices adjusted for changes in the purchasing power of exports—increased even more.

Though the primary commodity boom has played an important role in stimulating the economies of many East Asian countries, expansion has been most rapid in the Republics of China and Korea, and in Singapore. These countries are among the world's poorest in terms of natural resources; yet they have managed to build economies which are among the world's most dynamic.

The Republic of Korea is perhaps the most noteworthy because, in population density, it is surpassed by only a dozen developing countries. It has—without neglecting agriculture—followed an extraordinarily successful development strategy based on industrialization specializing in the export of labor-intensive goods. Korea's exports—essentially, industrial exports—increased at a compound rate of well over 30% annually from 1965 to 1972. In 1973, the growth surpassed even those earlier remarkable figures, and in value rose by more than 90%. Given the labor-intensive nature of industry, employment has expanded substantially. Ac-

ording to all available indicators, income distribution has also improved.

Inflationary problems

Almost all the countries of East Asia, however, have begun to face serious inflationary problems. Those problems first arose as a result of the overall food shortages of 1972—especially of rice—and were then aggravated by the rapid expansion of economic activity as the export boom got under way. Increased import prices also contributed to the inflation.

The Republic of China, Malaysia, Singapore and Thailand all have used exchange rate adjustments to dampen inflationary pressures which saw prices rise by about 8%. The Philippines, on the other hand, has preferred to maintain an exchange rate which would favor increased industrial exports. In the first half of 1973, inflation in that country reached 20% on an annual basis. However, food shortages and the boom in export prices caused a doubling in that pace of inflation in the second half of the year. And in Indonesia, after years of relatively stable prices, the overall price index has risen steeply in the past 18 months, and would have risen higher had the Government not sold large quantities of imported rice at prices lower than it paid for them.

These buoyant economic trends in East Asia contrast sharply, however, with events in much of South Asia. For the Indian subcontinent, it has been another bad year following on the heels of many other years of inadequate progress. There are several reasons for the sharp contrast between South and East Asia. Relative to their dense populations, the natural resource base of several South Asian countries is meager.

Lending to Current Borrowers in Asia, by Sectors
(US\$ millions. Fiscal years)

	Annual average 1964-68 ⁽¹⁾	Annual average 1969-73 ⁽²⁾⁽³⁾	1972 ⁽³⁾	1973 ⁽²⁾	1974
Agriculture	\$ 54.0	\$196.3	\$217.5	\$ 206.6	\$ 339.5
Education	7.6	39.2	46.7	104.2	38.5
Industry (including DFCs)	54.9	113.8	100.0	198.0	198.5
Non-project	91.0	109.0	125.0	195.0	235.0
Population	—	7.9	34.4	5.0	—
Power	54.7	128.2	99.0	137.0	85.8
Technical assistance	—	2.8	4.0	4.0	5.0
Telecommunications	12.0	69.5	12.2	122.5	20.0
Tourism	—	0.9	4.2	—	41.0
Transportation	76.9	174.7	191.7	235.3	288.7
Urbanization	—	3.2	—	16.0	35.0
Water and sewerage	15.8	15.6	—	68.5	74.8
Total	\$366.9	\$861.1	\$834.7	\$1,292.1	\$1,361.8
Of which: Bank	\$179.6	\$340.8	\$218.1	\$ 408.9	\$ 715.4
IDA	\$187.3	\$520.3	\$616.6	\$ 883.2	\$ 646.4

Details may not add to totals because of rounding.

⁽¹⁾Excludes loans of \$375 million to Japan and \$102.8 million to New Zealand.

⁽²⁾Eleven credits were made to Bangladesh in fiscal 1973 which involved the cancellation of credits previously made to Pakistan. These credits are not included in the totals, except for the increases over the original amounts of the credits, totaling \$6.6 million.

⁽³⁾Excludes loans of \$24 million to New Zealand—\$16 million in fiscal 1971 and \$8 million in fiscal 1972.

World demand for the main traditional export products of Bangladesh, India and Sri Lanka—tea and jute—has been depressed for more than a decade. These are among the very few commodities which have failed to participate substantially in the recent boom. The three countries would, therefore, have faced a balance-of-payments problem in any case; this year, the problem has been exacerbated by the effects of worldwide inflation which has boosted import bills for supplies of energy, capital goods and food.

There are, nonetheless, variations even within this regional pattern. Thus, Pakistan has made good progress in the past two years. Its ability to replace markets lost following Bangladesh's independence has been particularly impressive. Although Pakistan suffered from severe floods in 1973, its GNP has continued to increase by about 6% in real terms, assisted by favorable world markets for its main exports—cotton, cotton goods and rice—and by the devaluation of the Pakistan rupee in early 1972. The country, however, is now paying substantially more for its petroleum and fertilizer imports.

Limited resources

The problems created by limited resources are well illustrated by the case of India. Though agricultural production has recovered from the 1972 drought, the country's overall economic situation has continued to be dominated by its consequences. With depleted food stocks, foreign exchange reserves barely adequate to meet emergencies, and consequent constraints on imports and on demand for non-food goods, inflationary pressures and lowered real investment, India has been through a very difficult year. The price changes which so benefited much of East Asia have worked to its detriment. Few of India's major exports have obtained higher prices, and the cost of imports, heavily weighted by food, industrial raw materials, fertilizer and fuels, has risen rapidly. Yet, within the vast expanses of India, many regions have continued to make further rapid progress—notably in the northern states of Punjab and Haryana. In both states, accessible groundwater and new technology have combined to produce marked economic improvements which compare favorably with those experienced by most countries anywhere. Because wheat production, for instance, has practically doubled over the past four years, the two states have become the main sources of grain for the Government's procurement system.

Though the countries of Asia are diverse—even when fitted neatly into three categories—the short-term economic outlook for all has been influenced greatly by the increase in petroleum prices. The overall net oil bill for the region's oil-importing countries—in effect, for all save Indonesia—may be \$4,000 million

to \$5,000 million higher in 1974 than in 1973.

Indonesia will, of course, derive great financial benefits from the increased price of oil; its annual net earnings from the commodity should rise to more than \$3,000 million this year. Though the country will long be poor, its oil revenues will help it finance a large investment program, further develop its primary resources, improve its agriculture, and industrialize. The oil revenues should also make the country creditworthy for large foreign capital inflows on market terms. After having been only an IDA borrower since lending began in 1968, Indonesia's first Bank loan, of \$48 million, was approved in May.

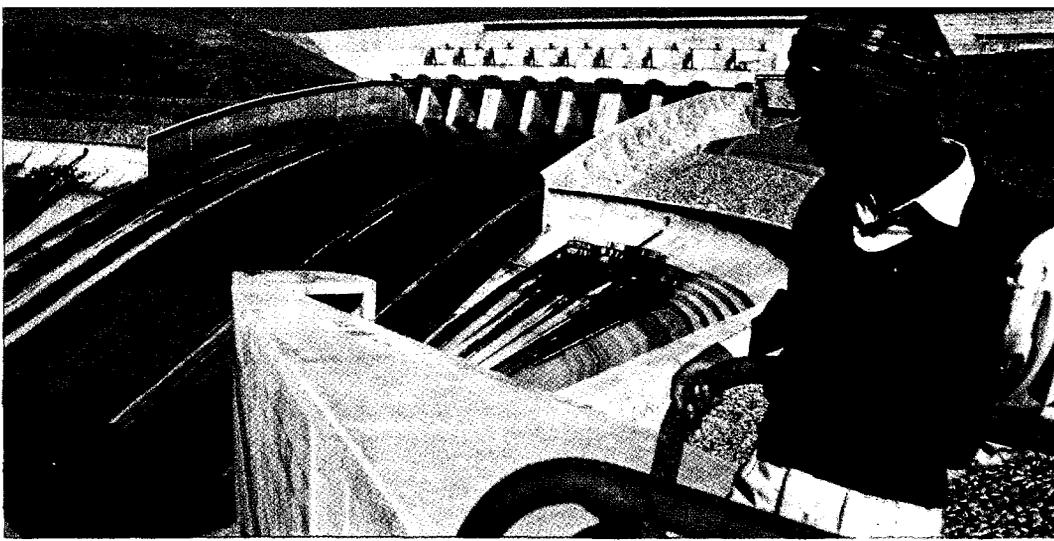
Malaysia will not suffer greatly from the high price of energy. Though by volume it is a small net importer of oil, by dollar value its exports will exceed imports. For other countries, however, the future is less sure. Indeed, in four countries, the increase in the net oil bill is likely to be in excess of \$500 million each. Economic development in Thailand and the Philippines may be retarded unless increased capital requirements can be met. The rate of growth in the Republic of Korea may be halved to 8%.

Others may fare worse. Sri Lanka's terms of trade are likely to deteriorate by 40% in the current calendar year (due to higher fertilizer and food prices as well as to costlier petroleum), with an adverse effect on national income of as much as 5%—far more than the equivalent of most major natural calamities. Though India may be able to adjust in the long run (its external trade represents only a small portion of GNP), it will be extremely difficult for it to do so quickly, as the cost of an unchanged volume of imports is expected to increase by about 30% in 1974.

Increase in lending

Bank and IDA lending to the countries of the Asian region continued to rise in fiscal 1974. New loans and credits totaled \$1,361.8 million—an increase of about 7.5% over the previous year. The greatest increase was, however, in lending for agriculture. That sector accounted for about 25% of the total for the region, compared with about 16% the year before. The increase reflected a conscious effort to invest most heavily in those sectors on which the majority of the people depend for their living. The range of Bank and IDA activities in the agricultural sector was wide, reflecting the varied needs of the many countries of the region. Assistance was provided during the year for rural development, irrigation, credit, forestry, dairy development, land settlement, fisheries, and seed, fruit and vegetable projects.

In terms of dollar amounts, the \$6 million credit to Nepal for a settlement scheme in the Terai area was the smallest investment made in the agricultural sector. It was, nonetheless,



At the Mangla Dam, across the Jhelum river in Pakistan. The dam, which forms a part of the Indus Basin Scheme, was financed in part by the Bank and IDA; a second dam, Tarbela, is nearing completion.

one of the most interesting. Under the scheme, timber will be felled on about 47,000 acres of land in the Terai region of southern Nepal where sawmills have been established. Two thousand five hundred acres of this land have been set aside for settlement by some of the almost 8,000 poor farm families who will be relocated in the area. The project thus serves a dual purpose: while land is being cleared for the settlement scheme, the country's treasury will be enriched by the logging operations there. Overall settlement cost per settler is estimated at about \$1,400; after deducting net incremental forestry revenues, the net cost will be only an estimated \$100.

The project will introduce into Nepal a novel and cheap method of extracting timber: mobile winch trucks, first developed in conjunction with a Bank-assisted forestry project in Malaysia, will be used. As the area is being settled, "settlement" infrastructure will be provided—villages and village roads, warehouses, schools, clinics, extension services and agricultural credit.

Land settlement

Far larger is the Bank's \$40 million loan to Malaysia to help finance the Johore land settlement project. In this project, 4,400 landless families or smallholders with less than two acres of land will be settled on 81,000 acres of cleared land, on which 65,000 acres of oil palms are to be planted. Oil palm mills, villages and roads will be constructed, providing the basic infrastructural framework for future growth in a predominantly rural setting.

In other agricultural areas, Bank and IDA assistance has continued its focus on the needs

of Asia's poor, smallholder farmers. In Thailand, some 16,000 farm families in three areas in the northeast—Thailand's poorest region—should benefit from a \$7 million IDA credit for an irrigation improvement project. The project is expected to raise considerably the incomes of the farmers as well as provide additional employment opportunities, particularly in the dry season. It aims at increasing the yield of the wet-season rice crop and will introduce dry-season cropping on more than half the paddy land in the three areas.

Two projects in the Philippines will help increase food production and raise rural incomes. The first—assisted by a Bank loan and IDA credit totaling \$19 million—will provide irrigation water for a poor, heavily populated area of Central Luzon, thus providing higher farm incomes and increased employment for the 10,000 families living in the project area. In addition, a loan of \$22 million for a rural credit project will provide funds to finance a wide range of agricultural and rural investment through about 250 rural banks spread throughout the Philippines.

About 500,000 farmers in the Republic of Korea—a fifth of that country's farmers—will be assisted by a \$7 million Bank loan for a seed project which will establish a modern seeds industry for paddy, barley, wheat, soybean and potato. Food production should increase by some 80,000 tons per year when the project is completed in 1978.

Extension of irrigation

As many as 300,000 people are expected to benefit, both directly and indirectly, from the

IDA-assisted Jatiluhur irrigation extension project in Indonesia. This project—IDA's fifth for the rehabilitation of irrigation systems in that country—will provide for flood control, irrigation and drainage facilities, swamp reclamation, feeder roads, and improved supporting services to farmers for increasing yields and double-cropping of food crops (mainly rice) in a 125,000-acre area. About 36,000 farm families, most of whom are smallholders, will directly benefit from the expected fourfold rise in foodgrain production in the area at full development.

Incomes of about 100,000 farmers are expected to increase substantially as a result of a \$32 million IDA credit to help expand institutional credit in Bihar, India's poorest state, where average annual incomes are substantially below the national average. The credit will support a three-year lending program for investments in minor irrigation, tubewells and pump sets. In addition, the project will generate year-round employment for almost 45,000 persons.

Elsewhere in India, about 450,000 farmers in the state of Karnataka (formerly Mysore) will be helped by a \$30 million IDA credit for dairy development. The credit marks the first Bank Group involvement in support of the dairy and livestock sector in India. All the farmers aided by the project either farm less than five acres or are landless.

Over the past two years, there has been a marked decline in the per capita consumption of milk in India, a major source of animal protein for most of the population. The new Indian Five Year Plan envisages an increase in milk production by 9 million tons to a level of 30 million tons by 1979. The project aims at developing an integrated program for increasing milk production in rural areas through a five-year program focusing on quality cross-breeding and animal health, and on developing facilities for milk collection, processing and marketing. Village cattle owners will form cooperative societies which, in turn, will be grouped into a union to handle the milk. The project is modeled after a successful organization set up in Gujerat state which has perceptibly raised the standard of living of its members.

Transport and tourism

In fiscal 1974, the Bank Group made its twelfth investment in the Indian railways, and its first ever in the Indonesian railway system. Ports, highways and inland waterways have also received Bank and IDA assistance.

The Bank and IDA have increased their lending for tourism in the region during the year, approving loans and credits totaling \$41 million for tourism development in the Republic of Korea and Indonesia. A \$16 million IDA credit for tourism in Bali is to assist in the creation of a tourism estate five miles south of Denpasar

airport. The credit will help cover the basic infrastructural needs of the resort; hotels will be built by private investors.

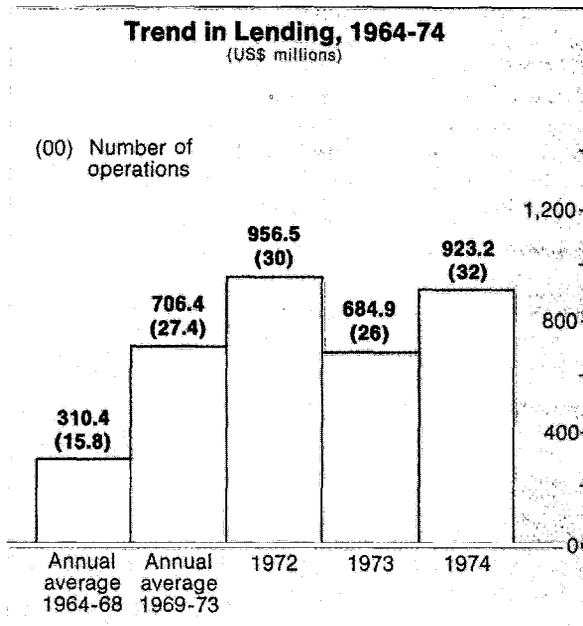
Two interesting components—involving agricultural and cultural aspects—have been built into the project. Noting that the local population will benefit from an increased demand for locally-produced food, the project calls for a 25-acre farm whose management will demonstrate profitable vegetable production methods and will, in addition, help farmers market their production to hotels and restaurants. The project is also specifically tailored in such a way that the distinct Balinese culture will remain, as far as possible, unaffected by the increase in tourists expected to flock to the island. The resort will be built in a virtually isolated area, away from Balinese village life. Land purchases have displaced few people, and provision has been made for efforts to maximize the benefits derived by local artisans and performers, and to improve the geographical distribution of those benefits. The pace and scope of new hotel development in Bali will be generally limited, and the flow of tourists to major cultural sites will be regulated. In addition, improvements in the basic infrastructure of the two villages located near the estate are to be provided as part of the project—including health care for the inhabitants.

Improving urban facilities

The year's lending program in the region has sought to spread the benefits of development to large numbers of the poor, mainly in Asia's rural reaches. But one project in the urban sector has also involved assistance to many of the poor—the citizens of Calcutta, one of the poorest of the world's great cities. A \$35 million IDA credit is to help finance a project in support of the Calcutta Metropolitan Development Authority's (CMDA) program to rehabilitate and improve basic urban facilities in a metropolitan area of almost nine million people. The project is composed of 44 different schemes, selected with a view to their priority within six different sectors—water supply, sewerage and drainage, roads and traffic improvement, garbage disposal, environmental hygiene and housing.

These sub-projects will improve the distribution of filtered water in the city; reduce the effects of storm flooding during the monsoon; and provide adequate garbage collection and disposal equipment, as well as sanitary latrines in areas which have no sewers. It will give the city better roads and will ease traffic; a slum redevelopment scheme will provide for rehousing in flats, and a sites and services scheme will provide service lots for self-help construction. The CMDA program is designed to benefit the poorer segments of the city's population. In terms of direct employment, it will generate more than 100,000 (mostly unskilled) jobs.

Latin America and the Caribbean



Current borrowers	Population (000) ⁽¹⁾	Per capita GNP (US\$) 1972
Argentina	23,946	1,290
Bolivia	5,194	200
Brazil	98,203	530
Chile	10,040	800
Colombia	23,039	400
Costa Rica	1,843	620
Dominican Republic	4,234	470
Ecuador	6,514	360
El Salvador	3,665	340
Guatemala	5,623	420
Guyana	752	390
Haiti	4,377	130
Honduras	2,687	320
Jamaica	1,932	810
Mexico	54,152	750
Nicaragua	2,152	470
Panama	1,524	880
Paraguay	2,354	320
Peru	14,122	520
Trinidad and Tobago	1,048	970
Uruguay	2,959	760
Venezuela	11,108	1,240

⁽¹⁾Estimated as of mid-1972.

Rapid growth in output and investment, rising exports and stronger inflationary pressures have been the distinguishing features of the region during the year. With a few exceptions, growth in production has accelerated notably in the recent past; real growth rates of 6% or 7% per year were common in 1972 and 1973. Sustained growth of this order has entailed substantial imports of capital and intermediate goods, which would not have been possible but for the remarkable expansion of exports achieved by most countries.

To some extent, the increase in export earnings has resulted from a general rise in commodity prices, which has been particularly notable in 1973 and 1974. During this period, the annual rate of increase in prices has been 20% for coffee, 18% for beef, and more than 50% for copper—the three commodities which are of major importance for the region. There

has also been an expansion in the volume of exports, however, and the expansion has not been confined to traditional commodities. The diversification of exports, particularly into manufactured goods, has been impressive.

In Argentina, Brazil, Colombia and Mexico, the growth in exports of manufactures has been sustained and rapid. The region is demonstrating an ability to place a wide range of products on the world market, and to compete on an equal footing with developing and developed countries alike. Success in this endeavor and high export prices have enabled many countries to accumulate substantial reserves—in some cases sufficient to cover six months' imports. The growth in Brazil's reserves, in particular, has been remarkable, reflecting in part large inflows of foreign private capital.

The rise in reserves will help in dealing with the problem of escalating energy and other

Lending to Current Borrowers in Latin America and the Caribbean, by Sectors

(US\$ millions. Fiscal years)

	Annual average 1964-68	Annual average 1969-73	1972	1973	1974
Agriculture	\$ 46.6	\$109.2	\$ 39.6	\$256.4	\$223.5
Education	4.2	19.1	—	20.6	68.2
Industry and mining (including DFCs)	12.9	96.4	279.0	80.0	76.2
Non-project	—	12.0	60.0	—	—
Population planning	—	1.0	—	—	—
Power	177.2	201.8	234.6	109.3	248.7
Technical assistance (including preinvestment studies)	—	—	—	—	13.3
Telecommunications	14.7	19.9	43.0	—	41.5
Tourism	—	4.4	22.0	—	—
Transportation	47.7	186.2	271.4	99.5	177.6
Urbanization	—	5.1	—	20.0 ⁽¹⁾	15.0
Water and sewerage	7.1	51.3	6.9	99.1	59.2
Total	\$310.4	\$706.4	\$956.5	\$684.9	\$923.2
Of which: Bank	\$300.7	\$683.1	\$945.3	\$638.8	\$885.9
IDA	\$ 9.7	\$ 23.3	\$ 11.2	\$ 46.1	\$ 37.3

Details may not add to totals because of rounding.

⁽¹⁾ Nicaragua earthquake reconstruction.

import prices, and offers hope that much of the region may be able to cope with the difficult months ahead without undue disruption of its growth trends. But the situation calls for sustained efforts to increase exports even further if long-term growth prospects are not to be impaired.

In Latin America and the Caribbean, as in other regions, the rise in petroleum prices has deeply affected the fortunes of individual countries during the year. Although, as a net exporter of petroleum, the region has benefited on balance, the effects have been uneven. Petroleum production for export is at present concentrated in four countries—Bolivia, Ecuador, Trinidad and Tobago, and Venezuela; they have a total population of less than 25 million. The major importers in the region have a total population of about 130 million. Poor and not-so-poor nations are to be found in both groups.

Over the short, and particularly over the medium, term there will be adjustments in fuel demand, substitution of other sources of energy, and possibly development of petroleum production. The prospects for increasing petroleum output are quite good in Peru, where major exploration is under way. Colombia (which is at present self-sufficient), Argentina and Mexico are traditional producers of petroleum, and they could probably expand production. In Chile, the development of natural gas, geothermal energy and coal is feasible, and even likely. In both Argentina and Chile, there is a large potential for expansion of hydroelectric power.

The burden of the oil price rise will fall on the countries which are net importers of petroleum. Some, having to meet heavy additional

payments, may nevertheless be able to handle the problem without too much difficulty, at least in the short run. These are countries such as Brazil, with strong external reserves and vigorously growing exports. In addition, Brazil has considerable resources of shale oil and has begun to develop atomic energy. Brazil, and also Argentina, plan to build new hydroelectric facilities on Paraguay's borders. These will improve Paraguay's export earnings. There are other countries, however, which do not have substantial reserves and are not able readily to develop exports. Thus, some of the smaller countries of Central America and the Caribbean (other than Trinidad and Tobago) will be hard hit.

Adjustment process

While the severity of the adjustment process will vary, it is encouraging that Trinidad and Tobago and Venezuela are taking steps to assist their less fortunate neighbors, using the additional foreign exchange that will accrue to them because of the rise in oil prices. In this context, it is significant that the Bank has during the year made its first long-term borrowing in the region: a bond issue of Bs100 million (\$23.3 million) in Venezuela.

The rise in petroleum and other prices came at a time when general inflationary pressures were building up to unprecedented levels throughout the region. Even Central American and Caribbean countries with a long tradition of stable prices experienced rates of inflation ranging between 15% and 25% during 1973. A major factor was the sharp increase in import prices, reflecting the extraordinary upsurge in

world food markets in 1973 and the sustained inflationary pressures in the developed countries exporting manufactures to the region. Importers of petroleum are now experiencing a sharp increase in the price of all petroleum products, the indirect effects of which will eventually spread through their economies.

Exporters of petroleum could also experience greater inflationary pressures if the additional petroleum revenues were to be rapidly dispersed throughout the economy and were thus to expand aggregate domestic demand. For these countries, the critical issue is to direct as much as possible of the additional resources into savings and, subsequently, investment. The unprecedented inflation of 1973 had already forced governments throughout the region to re-examine traditional policies of monetary management. The additional complication of the petroleum situation will make the task of reappraisal all the more urgent.

Economic growth during the year, although significant, has not been sufficient to dispel the deep-seated social and economic problems that have afflicted the region for a long time. The distribution of agricultural land remains acutely skewed, and large numbers of the rural poor still eke out a living as best they can on small patches of land or as landless laborers. In the cities, the volume of unemployment, underemployment and low productivity work at low wages remains large. There have been welcome signs of emerging shortages of labor in some rapidly growing high-income areas of the region. They will remain isolated instances, however, unless the rate of growth can be accelerated where it is lagging and unless development policy is structured in such a way as to focus more specifically on areas and sectors with high potential for employment and productivity growth and with the greatest need for improvement in incomes.

Increased lending

In fiscal 1974, Bank and IDA lending to Latin America and the Caribbean increased by almost 35% over the previous year, and nearly reached the record level of 1972. Year-to-year changes in the volume of lending are not particularly significant, since they may be greatly influenced by the timing of one or two large projects. Projects assisted by the Bank and IDA are frequently innovative in their approach to development problems, so it is not always possible to phase them evenly.

Bank Group assistance may serve many purposes. It is a vehicle for resource transfers that are intended to achieve specific development objectives. These objectives may include alleviation of the foreign exchange constraint to growth in income and employment by expanding output for exports; removal of domestic bottlenecks to growth by expanding output of goods and services in actual or potential short

supply; assisting in the establishment of new institutions and the reform of existing institutions; supporting changes in pricing and management policies of public enterprises and institutions; and increasingly focusing attention on assistance to low-income groups.

The scope of Bank and IDA lending has broadened considerably in recent years; the trend continues as the Bank during the year, for the first time, made loans exclusively for technical assistance and preinvestment studies in the region. The Bank and IDA continue to place greater emphasis on the rural sector, and to give attention to the social as well as the purely economic aspects of development. Reflecting the growing concern for the development of human resources, lending for education reached a record \$68.2 million.

Within the agricultural sector, the Bank and IDA have sought to direct their assistance to improving the productive capability of the lowest income groups. The agricultural workers who own or rent small plots of land and farm them on a subsistence basis are among the poorest groups in Latin America, and assistance to the small-farm sector is a central element in any strategy to alleviate rural poverty. The Bank Group's involvement in this area is illustrated by an IDA credit of \$5.5 million to Ecuador for agriculture, which accounts for over half the country's employment.

The credit will help to finance the integrated irrigation and agricultural development of more than 17,000 acres of farmland in an area close to Guayaquil, the largest city. An important aspect of the project is its comprehensive approach to agricultural development. A field-based agricultural production unit will be established to provide improved seeds, marketing services, storage, transport and other facilities. This should permit what previously was subsistence agriculture to generate a marketable surplus and provide a cash income for the farmers.

Mexican agriculture

Another example is provided by two loans—one of \$77 million and the other of \$47 million—to Mexico for the development of irrigation. Until recently, the country's agricultural policies were successful in raising production, but they did not do much to reduce rural unemployment, income concentration and rural-urban migration. The problem of rural poverty was compounded by the shortage of productive land, inequality in land ownership and inadequate public services. The Mexican Government is attempting to reconcile the twin objectives of economic growth and income redistribution.

Of particular importance is a new Water Law, which reduces the maximum permitted holdings in new irrigation districts from around 250 acres per owner to 50 acres. Land on hold-

ings in excess of 50 acres is to be distributed to small farmers and landless families. While the new ceiling is still high enough to permit the application of modern methods of production, it will significantly change the distribution of the benefits from new irrigation projects. When completed, the Bank-assisted projects will raise annual production by over \$170 million—which equals approximately 5% of Mexico's agricultural production in 1972. A major objective of the projects is to help reduce rural poverty and unemployment. Some 7,650 landless families will be settled. The incomes of more than 15,000 existing farmers, most of whom rent their land from the state, will increase substantially. Altogether about 125,000 persons will benefit directly.

If large numbers of the rural poor are to be effectively integrated into the development process, the scope of assistance offered to them must extend beyond agriculture. The increasing interest of the Bank and IDA in this aspect is illustrated by a project that will extend basic education and training opportunities to rural areas in El Salvador, for which the Bank made a loan of \$17 million in June. The project reflects the high priority the Government has given to rural education in its education development plan for 1973-77.

In 1971, only 62% of the children in the appropriate age groups were participating in the first six grades of basic education. The plan aims to raise that proportion to 90% in 1980. The Bank is contributing to the goal by assisting in the construction and expansion of schools. Furthermore, the quality of education will be improved through a regular program of in-service teacher training and the extension of educational television to the lower grades.

Urban growth

Although particular attention is being given to the needs of the rural areas, the Bank and IDA are well aware of the problems arising from rapid urbanization in Latin America and the Caribbean. An example of their approach to such problems is provided by an urban development project in Jamaica for which the Bank approved a loan of \$15 million in May. The urban population in Jamaica is growing at more than twice the national rate, and has far outpaced the construction of low-cost housing. The consequent proliferation of squatter settlements in overcrowded shanty towns lacking basic sanitary facilities is made more serious by the high level of unemployment, which is estimated at 25% in Kingston. The problems are typical of the rapidly expanding urban communities throughout Latin America and the Caribbean.

The project is designed to bring self-help housing, essential community services and job opportunities to many poor people in four Jamaican cities. A total of 6,000 lots at six dif-

ferent locations will be provided with individual water, sewerage and power linkages, and families will receive technical advice in building their dwellings. Apart from establishing new settlements, the project will assist in upgrading existing squatter settlements by bringing basic utilities and community facilities to a total of 2,750 households. Community facilities such as schools, day-care centers and health centers will be provided, as well as financing for small industries willing to locate near the housing sites. In this way, the essential elements of a viable urban community—housing, public services and employment—will be provided in a coordinated manner.

Another example of the Bank's support for projects to help the urban poor is provided by a \$36 million loan to Brazil for the construction or improvement of water and sewerage facilities in about 31 cities. Over the past two decades, the proportion of Brazil's population living in urban areas has increased from about 36% to 56%. But the provision of water and sewerage facilities for the poorer people who have moved to urban areas has lagged behind the need. It was estimated in 1970 that less than 60% of the urban population was provided with public water services, and less than 30% with public sewerage services. In 1971, the Government embarked on a program to provide adequate water to 80% of the urban population, and satisfactory sewerage to 50%, by 1980. Within this framework, the Bank loan will help finance the first phase of a water supply and sewerage program in the state of Minas Gerais.

Industrial expansion

Closely related to the needs of an urbanizing society is the development of industry. Industrialization offers the prospect of increasing employment and the supply of manufactured goods. When promoted along efficient lines, it also holds out the possibility of easing balance-of-payments problems through import substitution and the diversification of exports. The Bank's support for industrial development is illustrated by a \$70 million loan, approved last September, for the Las Truchas steel project in Mexico.

Consumption of steel products in Mexico has increased at an annual average rate of 8.3% over the past decade, and is expected to accelerate to 10.4% annually in the future. The forecast justifies substantial increases in Mexican production capacity, provided costs are internationally competitive. The Bank's participation in the Las Truchas project is designed to help Mexico meet these needs.

Under the project, it is proposed to establish a new steelworks with an initial capacity of 1.1 million tons of crude steel per year. This is a substantial addition to the present crude steel capacity of 5.2 million tons. The project

is located on the border between the states of Michoacan and Guerrero, one of the poorest areas in the country. It will thus support the Government's goal of directing public investment towards the underdeveloped areas of Mexico. Steps will also be taken to protect the environment by keeping down water, chemical, air and noise pollution.

The Bank and IDA have frequently financed projects which aim simultaneously at generating employment and strengthening a key export sector. This strategy is illustrated by a \$6.2 million IDA credit to Bolivia in support of a mining development project. Mineral production provides Bolivia with about 80% of its foreign exchange earnings and with jobs for a substantial portion of its population. The first objective of the IDA credit is to ensure a flow of investment sufficient to maintain and improve present production levels; a portion of the credit will assist specifically a group of medium-sized mines, whose owners have shown themselves to be dynamic and capable. A second objective is to strengthen the Ministry of Mining and Metallurgy. A third and particularly important objective is to improve the lot of thousands of small miners who, under deplorable conditions, work the Bolivian Altiplano. A survey will be made in order to prepare a program of credits and technical assistance to such miners.

Developing infrastructure

The Bank Group's traditional interest in infrastructure projects has not suffered as increasing attention has been given to the development needs of the urban and rural poor. Indeed, the economic progress of the lower-income groups would be hampered if enough were not done in such sectors as power and transport which are basic to a balanced development effort. Within these sectors, however, the Bank and IDA have sought to give more attention to poorer countries and poorer areas within countries so that the support for infrastructure projects also may reflect the increasing sensitivity to the social dimensions of development.

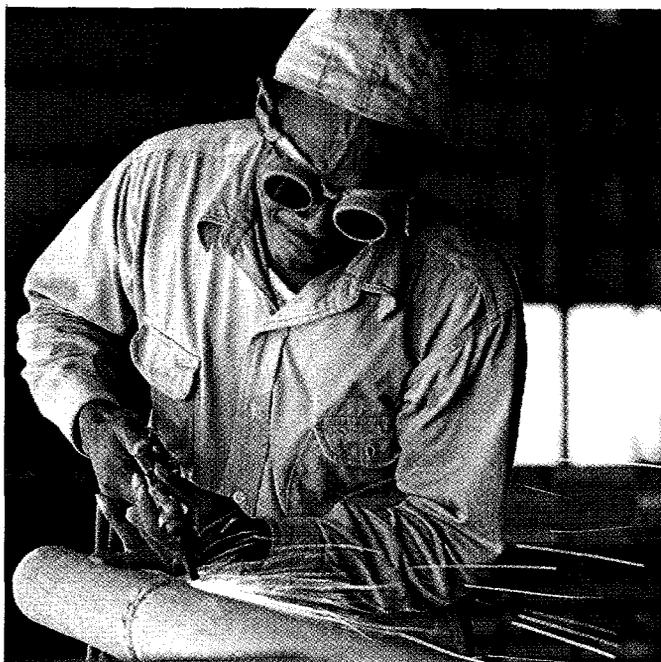
Typical of the Bank's activities in support of power development is a loan of \$81 million to Brazil which will partially finance a fourth expansion of the hydroelectric complex at Paulo Afonso on the river San Francisco. Even before the recent rise in oil prices the hydroelectric project was an attractive economic proposition; it is now far and away the most competitive energy alternative. The project will increase the generating capacity of the complex by 8,300 million kilowatt-hours per year; it would require some 13 million barrels of fuel oil to generate the same power from oil-fired stations. Faced with a sharp rise in its petroleum import bill in 1974, Brazil is anxious to exploit its domestic energy resources to the full.

The Paulo Afonso hydroelectric complex serves nine states of northeast Brazil, where 30% of the country's population is concentrated. The area is one of the poorest in the country. Migration from the countryside to the cities has eased population pressures to some extent, but it has also shifted some of the poverty from the farms to the urban slums. The Government is, therefore, emphasizing industrialization as a focal point for the development effort there, and it is in this context that the power sector plays a key role.

Importance of transport

The Bank and IDA have long recognized the central importance of transport for the balanced development of rural and urban communities. An example of their activities in this sector is provided by a \$10 million IDA credit to Haiti, which has a per capita income of \$130 and is the only country in the region included in the U. N.'s list of the "least developed." The credit will help to finance the rehabilitation of about 95 miles of the Northern Road between the capital, Port-au-Prince, and the second largest town, Cap Haitien. The road serves the two most important agricultural regions where 95% of the country's rice, and much of its sugar, is grown. About 17% of the population lives in the corridor between Port-au-Prince and Cap Haitien, and their prospects for economic advancement will be strengthened as access to the capital city is improved.

A welder at work in one of the small business enterprises to have sprung up along the road linking Tegucigalpa with San Pedro Sula, in Honduras. The Bank and IDA helped build the road.



Projects Approved for Bank and IDA Assistance in Fiscal 1974, by Sector

Agriculture

BURMA: IDA—\$17 million. Some 330,000 farmers will benefit directly from this project which seeks to extend and rehabilitate irrigated paddy land, mostly in the Irrawaddy delta. Crop production, mainly rice and jute, should increase. The project is the first for agricultural development supported by the Bank Group in the country. Total cost: \$22.5 million.

CAMEROON: Bank—\$11.6 million. This livestock development project will help set up three 50,000-acre state ranches and develop livestock production on 150 private ranches and farms. Almost 2 million acres of pastoral land will be cleared of the dreaded tsetse fly, thus permitting increased land utilization for pasturage and discouraging overgrazing of existing livestock grazing areas. Total cost: \$14.6 million.

CHAD: IDA—\$7.5 million. Rice production may increase 250% as a result of this irrigation project, and the incomes of the 11,500 persons living in the project area may almost double. Increased irrigation in those areas of Chad with adequate water supplies is seen as being the surest long-term means of combating the effects of frequent droughts in the country. Total cost: \$12 million.

CONGO, PEOPLE'S REPUBLIC OF: IDA—\$5.6 million. A 74,000-acre ranch in southwestern Congo will be built and stocked with N'dama cattle. Total cost: \$8.8 million.

CYPRUS: Bank—\$14 million. About 12,000 acres of land will be irrigated. Small farmers will be helped by the project, which aims at increasing production of high-value export crops—citrus fruit, grapes and vegetables. Total cost: \$36.2 million.

ECUADOR: IDA—\$5.5 million. Credit to poor farmers and irrigation of existing farms will be supported by this project which will benefit 825 farms with a population of about 6,000. Total cost: \$10.2 million.

ETHIOPIA: IDA—\$12 million. Production of foodgrains, vegetables, cash crops, and livestock and dairy products will increase under this project, the second phase of an agricultural scheme in the Wolamo district. Cash incomes for about 100,000 participating farmers should increase. The emphasis is on providing farm inputs and related credit. It will also include soil conservation, construction and upgrading of rural roads, expansion of water facilities, and support for cooperative marketing centers for livestock. Total cost: \$16 million.

ETHIOPIA: IDA—\$10 million. This comprehensive drought rehabilitation project in Ethiopia's two hardest-hit provinces is geared to both the immediate problem of the resumption of cultivation and to long-term rehabilitation. The credit will provide money for project preparation, road construction, water supply facilities, an agricultural research program, a pilot settlement project, and several other components. Total cost: \$10 million.

GHANA: IDA—\$2 million. Under this livestock project, the first assisted by the Bank Group in Ghana, the production of breeding stock and cattle for slaughter will be increased. Production in both commercial ranches and small to medium farms will be encouraged. Total cost: \$4.5 million.

GREECE: Bank—\$30 million. Irrigation and drainage facilities on about 50,000 acres of land in Macedonia will help remove major obstacles to agricultural growth for small landowners who have limited opportunities for alternative employment and whose per capita incomes are less than half of those earned by people in other sectors. Total cost: \$72.7 million.

GUYANA: Bank—\$12.9 million. About 5,000, mostly smallholder, farmers will benefit from this project which will provide rehabilitation, extension and improvements in irrigation and drainage systems and roads along the country's Essequibo coast. Rice production should be increased and rice quality improved, thus strengthening Guyana's position as the major rice producer and exporter in the Caribbean Common Market. Total cost: \$18.5 million.

HONDURAS: IDA—\$6.6 million. This livestock development project will enlarge the first one, assisted by IDA in 1970. Ranchers and dairy farmers will be helped to increase their stock. There is provision for construction of slaughterhouses and technical assistance. Total cost: \$11 million.

ICELAND: Bank—\$7 million. Three ports on the south coast of Iceland will be enlarged and improved to accommodate part of the fishing fleet which has relocated away from volcano-devastated Vestmannaeyjar, Iceland's most important fishing port. Total cost: \$11.3 million.

INDIA: Bank—\$52 million. Improvements to an existing irrigation project in Rajasthan state may create 20,000 jobs over the next decade, and increase foodgrain production from 140,000 tons to 350,000 tons. More than half the farmers in the project area are within the lowest 40% on India's national income scale. Total cost: \$91.5 million.

INDIA: IDA—\$32 million. Institutional credit supporting a three-year lending program for investments in minor irrigation, tubewells and pump sets to farmers in India's Bihar state will be expanded. Incomes of about 100,000 farmers are expected to increase substantially and employment will expand. Total cost: \$60 million.

INDIA: IDA—\$30 million. This first Bank Group operation in support of a dairy project in India seeks to contribute to an annual production increase of one million tons of milk and 100,000 dairy cows in Karnataka (Mysore) state. About 2.5 million people, most of whom are either landless or own less than five acres, are expected to benefit. The project involves the organization of village cattle owners into 1,800 dairy cooperatives and four milk producers unions. Total cost: \$64 million.

INDIA: IDA—\$13 million. Apple-processing facilities will be improved and an integrated apple-marketing system in the state of Himachal Pradesh will be aided. The project provides for the development of infrastructure and the establishment of a marketing organization capable of competing in the apple industry. About 10,000 small farmers are expected to increase their incomes. Total cost: \$21.7 million.

INDONESIA: IDA—\$30 million. This credit will help finance an irrigation extension project in West Java. Food production is expected to increase four times by the time the project is completed in 1988, and about 300,000 people may benefit. Total cost: \$68 million.

INDONESIA: IDA—\$6.5 million. A project designed to increase the output of shrimp and fish for both domestic consumption and export, and to provide more jobs and additional incomes for fishermen and their families, will be assisted through this credit. Total cost: \$12.9 million.

ISRAEL: Bank—\$35 million. This agricultural credit project is designed to increase the production of high-value items—flowers, subtropical fruits and winter vegetables—and improve facilities for their export; and meat and dairy products for the domestic market. Project-related research will also be supported. Total cost: \$84 million.

IVORY COAST: Bank—\$2.6 million. This palm oil development project will support the final stage in the development of 250,000 acres of industrial and outgrower estates east of the Sassandra river. About 1,300 families will participate—half of them new to the project. Total cost: \$10.8 million.

JAMAICA: Bank—\$5.5 million. The financing of a two-year lending program by the Jamaican Development Bank (JDB) to stimulate the development of agricultural production will be helped by this loan, the second to the JDB. Total cost: \$10.8 million.

KENYA: IDA—\$21.5 million. This credit will help finance an integrated livestock development program designed to support all aspects

of beef production and marketing. It will extend and enlarge an earlier project, jointly financed by IDA and Sweden in 1968. In the new project, 10 million acres of communal rangeland will be improved, new cattle markets and holding grounds established, and 180 ranches either established or improved. Total cost: \$59.7 million.

KENYA: Bank—\$10.4 million. The loan will help the Kenya Tea Development Authority (KTDA) build and equip factories to process tea. The KTDA encourages the development of tea as a cash crop for smallholders. Total cost: \$20.8 million.

KOREA, REPUBLIC OF: Bank—\$13 million. This loan, made to the Government-owned Agriculture and Fishery Development Corporation (AFDC), will help finance an integrated agricultural products processing project, designed to assist Korea in increasing rural incomes and diversifying exports of agricultural products. Beneficiaries will be small farmers who, through AFDC loans, will be given the opportunity to grow profitable off-season crops on land now idle or under-utilized. Total cost: \$20 million.

KOREA, REPUBLIC OF: Bank—\$7 million. Incomes of almost half a million farmers are expected to rise as a result of this project, which will help establish a modern seeds industry for paddy, barley, wheat, soybean and potato. Seed quality will be improved by attacking the problems of seed varietal mixtures, low germination and seed-borne disease present in the existing system. Total cost: \$22.8 million.

MALAYSIA: Bank—\$45 million. About 30,000 farm families will be assisted and 12,000 new jobs created in a 330,000-acre area in Johore state under this agricultural development project. The loan will help finance the development of agricultural resources, drainage improvements, supporting services and improvements in farming techniques. Total cost: \$100 million.

MALAYSIA: Bank—\$40 million. This loan will aid the Johore land settlement project, which includes land clearing and planting of oil palms, construction of palm oil mills, establishment of eight villages, building of roads, and the provision of power and water for 4,400 settler families to be selected from the landless or those with less than two acres of land. Total cost: \$89.8 million.

MALI: IDA—\$8 million. About one million people will be involved in this integrated rural development project. The IDA credit will help finance farm inputs and equipment, the improvement of 900 miles of roads, the establishment of a functional literacy program, and the improvement of medical and veterinary services. Farm family incomes are expected to triple. Total cost: \$18.9 million.

MAURITANIA: IDA—\$1.1 million. This credit will help finance the execution of en-

gineering studies needed to implement the first phase of the Gorgol Basin development scheme. The Government has given high priority to the development of 8,400 acres of irrigated agriculture in the Gorgol Valley. Related health and education studies will also be carried out. Total cost: \$1.3 million.

MAURITIUS: IDA—\$4 million. This project marks the Bank Group's first financing of a rural public works program which has the creation of productive employment as its major objective. It will provide temporary employment for 7,400 workers and will create 1,000 permanent job opportunities. Eighty-six villages will be provided with roads, potable water, health services, markets and community centers; trees will be planted on scrub land; and 3,000 workers will be trained in semi-skilled trades. Total cost: \$11 million.

MEXICO: Bank—\$77 million. A total of 340,000 acres will be developed for intensive agriculture and livestock operations in the coastal plains of the Pánuco river basin. Landless farmers will be settled in the project area, and an additional 15,000 persons will find full-time agricultural work. Total cost: \$208.4 million.

MEXICO: Bank—\$47 million. Almost a quarter of a million acres of land in Sinaloa state will be irrigated and developed under this project. About 58,000 acres will be redistributed in the new irrigation district to 2,375 families belonging to small landholders cooperatives. Total cost: \$145.6 million.

MOROCCO: Bank—\$32 million. This is the third Bank-supported irrigation project on the Rharb plain. It will provide flood protection, an improved road network and sugar cane processing capacity for an area of about 85,000 acres now being developed for irrigation. Studies will be conducted on the incidence of bilharzia in the project area and of industrial pollution in the Rharb plain. Total cost: \$53.7 million.

NEPAL: IDA—\$6 million. Almost 8,000 families consisting of landless farm workers will be settled on about 43,000 acres, and their living standards improved through this project located in the Terai plain. A novel and cheap method of timber extraction will be introduced, thus providing employment and a means of making the land available for settlement. This land clearance and resettlement program will reduce the wasteful destruction of forests and help increase agricultural production and incomes. Total cost: \$11.5 million.

NICARAGUA: Bank—\$8.5 million. Small- and medium-sized farmers will benefit from this project. Through on-farm development credits, it will help expand and diversify Nicaragua's livestock and agricultural production and exports. The project is structured to encourage participation of producers smaller than those normally served by the banking system. Total cost: \$15.8 million.

NIGERIA: Bank—\$20 million. Some 27,000 cocoa farmers in two states will benefit from this project, designed to rehabilitate the cocoa industry. It is proposed to plant or replant high-yielding varieties of cocoa trees on about 72,000 acres. Farmers will also be trained in modern techniques of cocoa production and farm access roads will be built. Total cost: \$40 million.

PERU: Bank—\$25 million. This loan will support a three-year program for extending investment credits to small- and medium-sized farmers and cooperatives. Money from the project, the eighth Bank operation for agriculture in Peru, will help finance investments in livestock operations, mixed farming, perennial crops and agro-industries. Total cost: \$41.7 million.

PHILIPPINES: Bank—\$22 million. This loan, made to the Central Bank of the Philippines, will help finance investments in a wide range of agricultural activities. Participating banks, to which the money is to be re-lent, will lend the money to farmers and entrepreneurs for purchasing equipment and machinery to be used in agricultural and fishery activities.

PHILIPPINES: Bank—\$9.5 million; IDA—\$9.5 million. Water, diverted from the Aurora river basin, will provide year-round irrigation on about 62,500 acres of rice land, growing two crops a year. Rice production should more than double in the area—from 82,000 tons to 202,000 tons; and incomes of about 10,000 farm families should rise from between \$270 and \$530 a year to more than \$1,000. Total cost: \$40 million.

RWANDA: IDA—\$3.8 million. The project is designed to raise food, cash crops and livestock production in northeast Rwanda. Government-organized cropping and ranching settlements will be strengthened through construction of infrastructure (houses, roads, water). Measures will be taken to eradicate the tsetse fly, a major factor inhibiting development in the project area. Total cost: \$4.3 million.

SOMALIA: IDA—\$10 million. Arid, drought-prone Somalia will be aided by this livestock development project—the Bank Group's first agricultural project in the country. Markets will be built, water supplies developed, feed lots established, veterinary centers constructed, and technical assistance provided. Total cost: \$11.5 million.

SUDAN: IDA—\$10.7 million. The rehabilitation of agriculture in the country's southern region, severely dislocated after almost 10 years of civil strife, will be aided by this credit. The project will provide improved seeds to farmers, expand extension services, and establish a center for nutrition research. There will be a vaccination, marketing and research program for livestock development, and help will be given in re-establishing cotton and coffee production. Total cost: \$12.6 million.

SYRIAN ARAB REPUBLIC: Bank—\$63 million; IDA—\$10 million. An irrigation and rural development scheme for more than 100,000 acres will be financed. Land in the project area, lying in the Balikh river basin, a tributary of the Euphrates, will be used for growing cotton and other crops, as well as for livestock development. Malaria and bilharzia control measures will be taken. Total cost: \$170 million.

TANZANIA: Bank—\$21 million. A 20% increase in cashew nut production, a 25% increase in cash incomes of small farm families, 5,000 new jobs, and the expansion of domestic cashew nut processing capacity are expected as a result of this loan, which will help support the Cashew Nut Authority's development program for the next five years. Total cost: \$30.3 million.

TANZANIA: IDA—\$17.5 million. Tanzania's cotton development strategy, based on smallholder and cooperative societies' production, will be aided by this credit which will help finance a cotton development project near the southern shores of Lake Victoria. Cotton and maize production will be increased through fertilizers, insecticides and other inputs provided on credit to small farmers. Total cost: \$23.8 million.

THAILAND: IDA—\$7 million. Both irrigated and rainfed rice development will be assisted in Thailand's poorest region, the Northeast, under this project. Incomes of 16,000 farm families will increase, and at full development, employment opportunities in the irrigated areas are expected to triple. Total cost: \$12.6 million.

UPPER VOLTA: IDA—\$8 million. About 360,000 people will benefit from this project, which will increase cotton, sorghum, maize, groundnut, rice and meat production. The project involves a variety of small, low-cost sub-projects, including wells and roads, which are geared to rapid improvement of productivity and improvements in the living conditions of large numbers of smallholder farmers. Total cost: \$9 million.

URUGUAY: Bank—\$13.5 million. With the money from this loan, sub-loans will be made to 7,750 farm ranchers and farmers of beef cattle, sheep, pigs, and mixed livestock and crops. The loan is the sixth operation made by the Bank for livestock development in Uruguay. Total cost: \$41.4 million.

VENEZUELA: Bank—\$22 million. This is the second loan by the Bank for Venezuela's agriculture. It will support a three-year lending program of the Banco de Desarrollo Agropecuario for medium- and long-term investments in agriculture and related agro-industries by medium- and large-scale farmers. A few associations of smaller commercial farmers will also be eligible for sub-loans under the project. Total cost: \$50.4 million.

WESTERN AFRICA: IDA—\$14 million. The money from this credit is divided among the

six Sahelian countries of Western Africa for drought relief: Chad, \$2 million; Mali, \$2.5 million; Mauritania, \$2.5 million; Niger, \$2 million; Senegal, \$3 million; and Upper Volta, \$2 million. The credit aims at helping people in the drought-affected areas re-establish their self-sufficiency through the redevelopment and improvement of their farms and herds. IDA is extending lines of credit to each country for the purpose of implementing sub-projects which meet the following criteria: be of a drought-relieving nature, help restore the productive base of areas seriously affected by the drought, generate benefits quickly, benefit a relatively large number of people, and be demonstrably needed and supported by local communities.

Development Finance Companies

BOLIVIA: IDA—\$6.2 million. Medium-sized, mostly Bolivian-owned, mining enterprises will be able to develop and expand their private mines as a result of this credit which will be administered by Banco Industrial S.A. The credit program will help finance about 25 mining sub-projects.

BOTSWANA: Bank—\$4 million. This loan will help the Government-owned Botswana Development Corporation finance the import component of its expanding portfolio of sub-loans and investments, mainly in the industrial and tourism sectors, during the next two years.

GREECE: Bank—\$15 million. This is the fourth loan since 1968 to the National Investment Bank for Industrial Development (NIBID), which promotes the development of private industry in Greece by financing new enterprises and modernization and expansion of existing businesses. NIBID is largely involved in financing medium-sized industries.

INDONESIA: IDA—\$10 million. This credit, together with an IFC subscription of nearly \$500,000 in share capital, will help establish the Private Development Finance Company of Indonesia. The company will help private enterprises in the country through medium- and long-term loans, equity investments and guarantees. The company was sponsored by a group of leading Indonesian private investors and Bank Indonesia, with the active support of the Bank Group.

IRAN: Bank—\$75 million. This loan will assist the Industrial and Mining Development Bank of Iran, the major source of long-term investment capital for private industrial ventures in the country.

IRAN: Bank—\$25 million. The growth of small- and medium-scale industry will be assisted by this loan, which will provide part of the resources needed by Iran's Industrial Credit Bank for its program of short- and long-term industrial financing.

KENYA: Bank—\$5 million. This loan to the newly established Industrial Development

Bank (IDB) of Kenya will help finance the foreign exchange component of investments in large- and medium-scale industrial projects in the country. With the proceeds from the loan, the IDB will concentrate on financing projects costing about \$150,000 or more.

MAURITIUS: Bank—\$5 million. This loan is expected to cover the Development Bank of Mauritius' foreign exchange requirements for lending and investment operations in industry—mainly for industrial estates and tourism—through June 1976.

PAKISTAN: Bank—\$25 million. The proceeds from this loan, which will constitute a fund to be managed by the Pakistan Industrial Credit and Investment Corporation, will finance the foreign exchange costs of various industrial projects in Pakistan. The loan should meet half the foreign exchange needs of enterprises applying for loans over a two-year period beginning January 1, 1974.

PHILIPPINES: Bank—\$50 million. Of this loan, \$48 million will be used by the Development Bank of the Philippines (DBP) to finance mainly direct imports for the industrial projects it finances; \$2 million will enable the DBP to finance a pilot tree-farming project involving 1,300 smallholder farmers.

SENEGAL: Bank—\$3 million. A newly created DFC—to promote the country's growing group of local businessmen by aiding in the establishment, expansion and modernization of business enterprises in the industrial and tourism sectors—will be assisted by this loan.

SUDAN: IDA—\$4 million. The foreign exchange costs of the Industrial Bank of Sudan's investments for a two-year period through 1975 will be met by this IDA credit. The Bank, established in 1961, was originally limited to financing private industrial enterprises, but is now allowed to participate in financing public sector projects.

TANZANIA: IDA—\$6 million. Funds will be provided to assist the Tanzania Investment Bank to finance specific development projects through loans and investments for productive enterprises. It is the first Bank Group operation for a development finance company financing primarily publicly owned enterprises.

THAILAND: Bank—\$12 million. This loan will permit the Industrial Finance Corporation of Thailand to meet part of its foreign exchange needs for investments in industry during the period mid-1974 to mid-1976. The Corporation plans to finance export-oriented and agro-based industries which contribute to regional development.

TURKEY: Bank—\$40 million. This loan will augment the resources of the State Investment Bank of Turkey for relending for eight to ten investment projects in public sector industries during the next two years.

YUGOSLAVIA: Bank—\$50 million. This sum is made up of two loans, one for \$28 million and another for \$22 million, to two different

regional banks; the loan will help finance the foreign exchange costs of medium- and small-scale industrial investments in the less-developed republics and provinces.

ZAIRE: IDA—\$10 million. This credit will help the Société Financière de Développement, Zaire's main private institutional source of medium- and long-term finance, to finance the foreign exchange component of specific investment projects. This is the third IDA credit to the institution.

Education

COLOMBIA: Bank—\$21.2 million. This project is designed to reinforce the Government's program for restructuring secondary education. The program is being carried out in response to the country's need for trained industrial and agricultural middle-level manpower in urban and rural areas. Total cost: \$35.1 million.

EL SALVADOR: Bank—\$17 million. This loan, the first one almost exclusively for primary and nonformal education, will help finance a project designed to serve the country's social and economic goals by reaching groups of the population, especially in rural areas, not served by the existing educational system. More than 500 schools will be established, replaced or expanded to provide over 60,000 student places. Total cost: \$24.2 million.

HONDURAS: Bank—\$3 million; IDA—\$3 million. This project, the Bank Group's first for education in Honduras, will help improve primary school teacher training, increase vocational training for middle-level agricultural and industrial workers, and establish experimental rural training centers for farmer training, home economics and rural community leadership. Total cost: \$8.7 million.

IRELAND: Bank—\$25 million. This loan, the second by the Bank for education in Ireland, will help finance a project for building and equipping 14 new comprehensive schools, five new industrial training centers, a new technical teacher training institute, new facilities for the agricultural faculty at University College (Dublin), and a national institute for higher education to serve the Shannon-Limerick axis. Total cost: \$62.8 million.

MALAYSIA: Bank—\$19 million. Educational radio and television in the East Malaysian states of Sabah and Sarawak will be introduced under this project. It also provides for the construction of schools in those states and four teacher training colleges and a polytechnic college in West Malaysia. Total cost: \$41.4 million.

MAURITANIA: IDA—\$3.8 million. A key feature of this project is an experimental study of the traditional Koranic school system to explore the feasibility of introducing basic education into it. If it proves feasible, a change in the structure of the education system could lead to the provision of basic education to a far

larger proportion of the children. Total cost: \$4.13 million.

OMAN: Bank—\$5.7 million. The loan will be used to strengthen the Ministry of Education, and to help establish the first primary teacher training school, the first agricultural school, and the first basic education and vocational centers for over-age youths in the country. An innovative feature will be the introduction of nutritional instruction in these schools as well as in primary schools. Total cost: \$11.1 million.

PERU: Bank—\$24 million. The Government will be assisted in implementing its education reform which aims at shifting the emphasis from traditional to modern curricula geared to the needs of the country's labor market. The Bank loan will, for instance, help finance the construction of schools serving as forerunners of the reform. Total cost: \$40 million.

SINGAPORE: Bank—\$19.5 million. This loan will support the second phase of a program aimed at expanding and relocating the University of Singapore, the island Republic's largest university (enrollment 5,200). Existing buildings are located at four different sites. A master plan for relocation and consolidation of the university will place the school at a site 10 miles from the center of Singapore. Total cost: \$42 million.

YEMEN ARAB REPUBLIC: IDA—\$11 million. This credit, together with aid from the UNDP, the Federal Republic of Germany and the United Arab Emirates, will be used for a project to expand and upgrade teacher training, expand and diversify secondary education, introduce vocational and agricultural education, and assist the country in planning and administering further development of its educational system. Total cost: \$16.95 million.

Electric Power

ALGERIA: Bank—\$38.5 million. This loan will help remedy the difficulties encountered in the national gas and electricity company's interconnected system. Gas turbine units for operation on natural gas will be installed, as will a modern dispatch system. Ten substations will be constructed. Total cost: \$64.3 million.

BOLIVIA: IDA—\$6 million. Substations, transmission lines and a gas turbine unit will be expanded, constructed and installed under this project, which forms part of the 1973-77 expansion program of a Government-owned company responsible for the generation and transmission of power in areas outside Bolivia's capital of La Paz. Total cost: \$7.3 million.

BRAZIL: Bank—\$125 million. This loan, the Bank's twenty-sixth in support of Brazil's power sector, will help finance a hydroelectric project which consists of the building of a 4.3-mile long dam on the Paranaiba river with a maximum height of 330 feet, a 2,080-MW power

station, and about 1,090 miles of transmission facilities. Total cost: \$593.2 million.

BRAZIL: Bank—\$81 million. This loan, the twenty-seventh for the development of the Brazilian electric power sector, will help finance a hydroelectric power scheme to serve a large area in Northeast Brazil. The scheme includes the completion of a dam, more than 1,500 miles of transmission lines, generating units and substations. Total cost: \$693 million.

ICELAND: Bank—\$10 million. This is the third loan to Iceland's power sector. It will help finance a project comprising the construction of a hydropower station with two 50-MW generating units, a 22-mile double circuit 220-kv transmission line with associated tie-in equipment, and consulting services. Total cost: \$56.4 million.

IRAN: Bank—\$58 million. This loan will help finance a transmission and gas turbine project, which is part of the 1974-77 development program of the Iran Power Generation and Transmission Company. Transmission lines will be built, and gas turbines will be purchased. Total cost: \$112 million.

LIBERIA: Bank—\$2.9 million. An amendment to a power loan of \$4.7 million, extended in July 1971.

MALAWI: IDA—\$7.5 million. A project involving the construction of a 20-MW hydroelectric power station, the building of a barrage, and the installation of a 12-MW gas turbine unit will be aided by this second IDA credit for a power project on the Shire river. Total cost: \$14.27 million.

MOROCCO: Bank—\$25 million. This loan, to a Government-owned enterprise responsible for generating electricity for public consumption and for distributing energy outside large cities, will help ensure reliability of supply and provide peaking capacity in Morocco's interconnected system by financing the foreign exchange costs of two gas turbines and transmission facilities at Agadir and Tangier. Total cost: \$39.4 million.

PANAMA: Bank—\$30 million. This loan will assist the implementation of a project which includes the Instituto de Recursos Hidráulicos y Electrificación's 1974-76 transmission and distribution program, a system load dispatch center, and 25 MW of thermal generation. It is the Bank's third loan to the Institute. Total cost: \$38.5 million.

PAPUA NEW GUINEA: Bank—\$10.8 million. The nation's Electricity Commission will be provided technical assistance for its in-service training program, and its distribution network will be expanded under this loan, the second the Bank has made in the power sector to the country. Total cost: \$17.3 million.

SYRIAN ARAB REPUBLIC: Bank—\$25 million. The Kuwait Fund for Arab Economic Development is joining the Bank in helping finance a thermal power station and associated facilities at a reservoir located on the Orontes river.

One power station and four substations will be constructed; staff training will also be provided. Total cost: \$62.6 million.

TANZANIA: Bank—\$5 million. An amendment to the Kidatu power loan of \$30 million, extended in December 1970.

THAILAND: Bank—\$75 million. This loan, the seventh to the Electricity Generating Authority of Thailand and its predecessor since 1957, will help finance hydroelectric facilities—a dam, reservoir, hydraulic structures, electro-mechanical equipment and transmission lines—at Ban Chao Nen, located 100 miles northwest of Bangkok. The Overseas Economic Cooperation Fund of Japan is lending \$45 million for another part of the project. Total cost: \$181.3 million.

TURKEY: Bank—\$148 million. This largest-ever Bank loan for a single project will help finance a lignite mine development and electric power generation scheme in east-central Turkey. When completed, 1,200 MW of power from the project will add about 20% to Turkey's electric power capacity. Lignite will be used as a fuel as it has a better economic rate of return than oil, and will reduce reliance on foreign energy sources. Other major European lenders are providing more than \$250 million for the project. Total cost: \$1,137 million.

ZAMBIA: Bank—\$115 million. This loan will assist the Zambia Electricity Supply Corporation in financing the second stage of a hydroelectric project on the Kafue river. This stage includes the addition of 300 MW of capacity at the Kafue power station, the construction of a storage dam 155 miles upstream, and transmission facilities. Total cost: \$164.1 million.

Industry

BOTSWANA: Bank—\$5.5 million. An amendment to the Shashe infrastructure loan of \$32 million, extended in June 1971.

EGYPT, ARAB REPUBLIC OF: IDA—\$20 million. A urea fertilizer plant, with a capacity of 570,000 tons a year, will be built in the Nile delta. When completed, the project will approximately double the country's production of nitrate fertilizer. Parallel financing by a group of Arab lenders will total about \$70 million. Total cost: \$132.4 million.

EGYPT, ARAB REPUBLIC OF: IDA—\$18.5 million. The rehabilitation of the cotton ginning industry will be initiated through this project; it includes the construction of four new ginneries, the rehabilitation of 10 others, technical assistance and training. Total cost: \$40.4 million.

EGYPT, ARAB REPUBLIC OF: IDA—\$0.4 million. This engineering credit helped finance technical advisory services necessary for the preparation and initiation of engineering work on the Talkha urea fertilizer project approved in June 1974. Total cost: \$465,000.

INDIA: IDA—\$50 million. Almost two-thirds of the proceeds from this credit will go toward expanding capacity at a large fertilizer plant near Bombay. The remaining funds will provide India with urgently needed assistance to improve operations in other Government-owned fertilizer plants. The credit marks the sixth Bank Group fertilizer project in the country. Total cost: \$103.7 million.

INDONESIA: IDA—\$16.5 million. Indonesia's first industrial estate, to be located near the eastern boundary of Jakarta, will be built with the help of this credit. Prepared sites and services on the 1,000-acre plot, ready for immediate occupancy, will be made available under the project. Total cost: \$51 million.

MALAWI: IDA—\$2 million. This credit will finance the foreign exchange component of planning and engineering needs for the preparation of a project designed to exploit the country's forest resources on the Viphya plateau. Total cost: \$6.4 million.

MEXICO: Bank—\$70 million. This loan, the Bank's first for the Mexican steel industry, will help finance a new steel plant on Mexico's Pacific coast. The plant will have an annual production capacity of 1.1 million tons of crude steel. Total cost: \$678.5 million.

MOROCCO: Bank—\$50 million. This loan will help construct an "intermediate" phosphate fertilizer plant near the port of Safi. The intermediates to be produced—phosphoric acid and monoammonium phosphate—will be exported. These intermediates are needed for manufacturing high-grade phosphate fertilizers, for which world demand is increasing. Total cost: \$155 million.

PAKISTAN: Bank—\$35 million. To increase the production of fertilizers, the Bank, along with the Asian Development Bank, is helping finance the expansion of a fertilizer factory located in the heart of the main agricultural region of Punjab at Multan. The project will be implemented by a new company, 70% controlled by the Government and 30% by the Abu Dhabi National Oil Company. Total cost: \$102 million.

ROMANIA: Bank—\$60 million. This is the first loan to Romania, which joined the Bank in December 1972. It will help finance the construction of a fertilizer plant with an annual capacity of more than 400,000 tons of urea and about 200,000 tons of diammonium phosphate. The project will be based on domestic natural gas resources and imported rock phosphate. Total cost: \$200.8 million.

SENEGAL: Bank—\$0.6 million. Technical, market and economic studies essential to determining the feasibility of a project for the construction at Dakar of a dry dock and ship repair yard will be financed by this loan. The facilities planned would be capable of handling tankers and bulk carriers of up to 500,000 dead-weight tons. Total cost: \$3.09 million.

TURKEY: Bank—\$40 million. This project will finance Turkey's first integrated forest utilization operation, which consists of a forestry development program, an integrated saw mill and pulp and paper mill, and forest industries feasibility studies. The project includes environmental protection measures that will minimize the adverse effects of the pulp and paper mill on the environment and on tourism development in the Antalya coast. Total cost: \$170.1 million.

YEMEN ARAB REPUBLIC: IDA—\$2.3 million. This IDA credit will finance the development of an industrial estate on the outskirts of the capital of Sana'a. The estate, conceived as a pilot project, is expected to stimulate investment in modern small-scale industry and to provide a model for the future development of Yemen's industrial sector. Total cost: \$3.3 million.

YUGOSLAVIA: Bank—\$18.5 million. New facilities for Yugoslavia's largest manufacturer of tractors and farm equipment will be constructed and old ones expanded under this project. Tractor production is expected to increase from 15,000 to 35,000 per year. Total cost: \$87.6 million.

YUGOSLAVIA: Bank—\$15 million. Yugoslavia's second largest iron castings producer will be able to expand and modernize its iron foundry, raising annual production capacity from 25,000 tons to about 90,000 tons under this project, which includes provision for the installation of pollution control equipment. Total cost: \$69 million.

YUGOSLAVIA: Bank—\$14.5 million. Facilities at one of Yugoslavia's largest malleable and nodular iron casting producers, and the country's only manufacturer of grinding machines, will be expanded and modernized under this project. Total cost: \$35.1 million.

Non-project Lending

BANGLADESH: IDA—\$50 million. The Government's efforts to sustain agricultural production and to promote industrial output through greater utilization of existing capacity will be helped by this IDA credit. Vital inputs of key industries in the economy and imports of fertilizer and raw materials for fertilizer production will be financed.

INDIA: IDA—\$150 million. With this credit, 800 medium- and large-scale business enterprises in selected priority industries will be able to maintain and expand production. The credit will meet part of the industries' foreign exchange requirements of about \$550 million during 1974/75 for imports of raw materials, components and spare parts.

PAKISTAN: IDA—\$35 million. Direct rehabilitation of physical assets damaged by the floods of August 1973 will take up \$16 million of this credit. The remainder will finance imports of

goods (such as industrial raw materials, machinery, fertilizers, commercial and industrial vehicles) to assist the economy in recovering from the effects of the floods.

Population Planning

EGYPT, ARAB REPUBLIC OF: IDA—\$5 million. Twenty-two general health centers, 12 polyclinics, three nurses' training centers and three in-service training centers will be built, equipped and furnished as a result of this population project. Vehicles will be provided for family planning services, an experimental home visiting program to inform and motivate family planning acceptors will be adopted and other relevant studies undertaken. Total cost: \$10.5 million.

KENYA: IDA—\$12 million. Maternal and child health care are the key features of this project, the Bank Group's first in this sector in sub-Saharan Africa. Key components include the construction of five community nurses' training schools, 27 rural health centers, a national welfare center and supporting facilities. Total cost: \$15.4 million.

Technical Assistance

CHILE: Bank—\$5.25 million. The foreign exchange costs of preinvestment studies on project preparation in sectors such as mining, metallurgy and manufacturing, nutrition and fisheries, transportation and water planning will be covered by this loan.

COLOMBIA: Bank—\$8 million. The money will be passed on as a grant to a Government agency, whose prime objective is to finance preinvestment studies of projects in accordance with the Government's investment priorities. The agency hopes to benefit from the Bank's experience in the conduct and supervision of preinvestment studies, particularly in the urban, agricultural and social sectors.

INDONESIA: IDA—\$5 million. This fourth technical assistance credit by the Bank Group to Indonesia will provide advisory services and staff training designed to improve the decision-making and management capabilities of public agencies and state-owned enterprises in the country.

OMAN: Bank—\$2.75 million. The provision of teams of specialists for economic planning and for the management of the agricultural and transportation sectors will be financed. Total cost: \$5.9 million.

Telecommunications

BANGLADESH: IDA—\$20 million. Part of the country's five-year telecommunications program will be financed through this credit. At present, Bangladesh has only seven telephones

for every 10,000 inhabitants; the project will double this ratio, expand the coverage of the telephone network and improve the quality of local, long-distance and international service. Total cost: \$87.4 million.

COSTA RICA: Bank—\$23.5 million. This fourth Bank-assisted telecommunications expansion project in Costa Rica will increase the total telephone exchange capacity by about 80%, increase the long-distance network capacity and expand the rural telephone system to serve 90 additional rural communities. Total cost: \$50.8 million.

ETHIOPIA: IDA—\$21.4 million. This project will provide additional facilities to meet demand for telephone services in areas now served, provide telephone services in rural areas where presently there is no service and improve long-distance services. High-quality 24-hour international telephone and telex services will also be provided by the construction of an earth satellite station. Total cost: \$37.1 million.

IVORY COAST: Bank—\$25 million. This project will help finance the extension and improvement of local and long-distance telecommunications services. The loan finances almost half of the country's 1974-78 telecommunications development program. Total cost: \$53.6 million.

TRINIDAD AND TOBAGO: Bank—\$18 million. This loan will help finance a project for the rehabilitation and expansion of the telephone network. The project is part of the country's telephone development program; it will help remove congestion of the local and long-distance network and improve the quality of service. Total cost: \$30.5 million.

Tourism

INDONESIA: IDA—\$16 million. This credit will help finance a project to develop a sparsely settled area on the Bukit peninsula in southern Bali as a tourist resort. When completed, the tourism estate will offer 2,500 hotel rooms. Total cost: \$36.1 million.

KOREA, REPUBLIC OF: Bank—\$25 million. Tourism development near Kyongju, Korea's ancient capital, will be promoted under this project. The loan will help provide utilities, services and recreational facilities at a tourism complex at nearby Bonum Lake. Indirect employment in all fields as a result of the project may total 15,000. Total cost: \$50 million.

TUNISIA: Bank—\$5.6 million. This project includes the construction of three hotel training centers, each with its own school, practice hotel, student dormitory and staff housing. When completed, the project will train about 1,000 persons a year. Total cost: \$12.3 million.

Transportation

AFGHANISTAN: IDA—\$11.5 million. This credit will help Afghanistan improve and maintain almost 2,500 miles of roads essential to its economic development. Though roads are the country's main mode of transport, many have substandard characteristics and lack the capacity to handle traffic at reasonable cost. Total cost: \$20.1 million.

ALGERIA: Bank—\$70 million. A new port and associated facilities will be constructed under this project at Bethioua. From that location, liquefied natural gas and its by-products will be exported to Europe and the United States. When completed, the project will permit Algeria to meet its obligations under natural gas export contracts for the next 25 years. Total cost: \$293 million.

ALGERIA: Bank—\$49 million. The country's investment program over the next two years for the rehabilitation and improvement of its railway network will be aided by this loan. Almost 200 miles of track will be completely renewed, and coaches, railcars and freight cars will be bought. Total cost: \$127.3 million.

BANGLADESH: IDA—\$4.1 million. The rehabilitation of Bangladesh's inland water transport system will be assisted by this credit. The system carries more than half of the country's traffic between the interior and the seaports. Today, however, a large portion of the inland water fleet is laid up awaiting repair; and an important offshore oil terminal designed to transfer crude oil to Chittagong is out of service. Under this project, vessels and cargo handling equipment will be put back into operation, and the oil terminal will be restored. Total cost: \$6.57 million.

BURUNDI: IDA—\$5 million. The project will help implement a four-year highway maintenance program, provide technical assistance, and furnish a master plan for further road development and preinvestment studies. The project is a direct result of an IDA credit extended in 1970 which helped finance the detailed engineering study of a road from Bujumbura to Nyanza-Lac and a highway maintenance study. Total cost: \$8.4 million.

CAMEROON: Bank—\$24 million; IDA—\$24 million. This project is to reconstruct the last low-standard road section of the Transcameroon route, a 1,100-mile road-rail artery linking the heavily populated and potentially productive northern provinces with the rest of the country and the sea, particularly with Yaoundé, the capital, and Douala, the main port. The route also serves the southwestern part of landlocked Chad. Total cost: \$71 million.

CAMEROON: Bank—\$16 million. This is the second loan for the development of railways in Cameroon. It will mainly assist the financing

of track and telecommunications improvements on the Douala-Yaoundé line, and an increase in rolling stock. Total cost: \$23 million.

CHAD: IDA—\$3.5 million. A five-year program for the improvement and maintenance of feeder roads in support of cotton development in southern Chad will be assisted. About 500 miles of such roads will be improved, studies will be carried out on the improvement of other roads, and nine ferry boats will be reconditioned. Total cost: \$4.5 million.

COLOMBIA: Bank—\$25 million. About 225 miles of railroad track in Colombia will be rehabilitated with the help of this loan, the sixth made by the Bank to the Colombian National Railways. The loan will also finance the improvement of permanent way, including switches, track materials and equipment, bridges, ballast cars and technical assistance to improve railway operations. Total cost: \$44.2 million.

GAMBIA, THE: IDA—\$2.4 million. To supplement a port development credit of \$2.1 million extended in May 1970.

GHANA: IDA—\$13 million. This credit will help finance the rehabilitation and improvement of trunk road sections, 345 miles long, located along four major routes in the densely populated southern regions of the country. The project will help the agricultural sector as roads are the dominant mode of transport for the movement of agricultural goods. Total cost: \$19.46 million.

HAITI: IDA—\$10 million. This credit will help finance the rehabilitation of critical sections of the Northern Road, from Port-au-Prince to Gonaives and Cap Haitien, as well as the reconstruction of the Estère Bridge and technical assistance for transport planning and strengthening of local construction firms. The project will facilitate the commercialization of agricultural production in two major agricultural areas. Total cost: \$13.3 million.

INDIA: IDA—\$80 million. This credit will support the expansion of the railways during the Fifth Five-Year Plan period (1974-79). The project will help replace steam locomotives with diesel or electric ones. The wagon fleet will be increased, and electrification of main lines will be furthered. Total cost: \$654 million.

INDONESIA: Bank—\$48 million. This loan—the first ever by the Bank to Indonesia—will help finance the rehabilitation and modernization of the country's 4,200-mile railway network. The Bank loan will help finance the costs of the first three years of the railway investment plan. Total cost: \$158 million.

IRAN: Bank—\$65 million. The port of Bandar Shapur, at the head of the Persian Gulf, will be expanded under this project. Managerial assistance as well as "hardware" will be made available from the proceeds of the loan. Total cost: \$160 million.

KENYA: Bank—\$29 million. About 440 miles of trunk and other roads will be either constructed or improved under this project. Access to potentially rich agricultural areas will be opened up, and the road from the city of Nairobi to its airport will be improved. That road also forms part of the Nairobi-Mombasa highway and is a link in the international trunk route to Dar es Salaam. Total cost: \$44 million.

KOREA, REPUBLIC OF: Bank—\$47 million. This project consists of the construction of 81 miles of national highways in the relatively isolated areas of northeast Korea and the paving and improvement of nine other national highways totaling 390 miles elsewhere in the country. Total cost: \$94 million.

MALAGASY REPUBLIC: IDA—\$6 million. This project seeks to aid the national railroad system by replacing outdated equipment and by furnishing technical assistance to the networks in management, accounting and operations. Total cost: \$8.9 million.

MALAYSIA: Bank—\$19.5 million. This loan will help finance improvements to two sections of Malaysia's north-south arterial highway near Kuala Lumpur. Ninety miles of roads, both north and south of Malaysia's capital, will be widened, constructed or improved. The project also includes money for a study to improve traffic flow within Kuala Lumpur. Total cost: \$37.2 million.

MAURITIUS: Bank—\$10 million. The harbor of Port Louis will be expanded and improved under this project. It will enable the port to cope with a 6% yearly growth in traffic. Handling costs at Port Louis will decrease, and the average service time for ships will shorten. Total cost: \$16.1 million.

MEXICO: Bank—\$90 million. This project involves the construction and upgrading of 1,165 miles of roads in Mexico. It represents about 40% of the federal highway construction program for 1973-76. The 16 roads affected by the project are in widely scattered areas of the country. Total cost: \$241.4 million.

MEXICO: Bank—\$25 million. This first Bank loan for aviation in Mexico will help finance the construction of seven regional airports, and thus support the national plan for airport construction and improvement. The plan is of primary importance due to rapid increases in domestic air traffic which have come about through population and income growth and because of governmental efforts to promote balanced regional development. Total cost: \$63.3 million.

MOROCCO: Bank—\$29 million. This project aims at the rehabilitation and modernization of important roads in Morocco and includes the construction of a part of the Casablanca-Rabat highway. Other road sections will be improved, highway maintenance equipment will be replaced, and traffic studies and technical assistance furnished. Total cost: \$43 million.

NIGER: IDA—\$5 million. Improvements at the Niamey airport will be made; the project will enable large, modern, long-range aircraft to operate safely and economically from Niamey. Total cost: \$5.9 million.

NIGERIA: Bank—\$55 million. Under this project, the port at Lagos will be expanded and its management and operations improved. The loan will finance many different improvements: construction of berths, transit sheds, rail tracks, a warehouse and service building, and road access; channel dredging; purchase of cargo handling equipment; expert services for management improvement. Total cost: \$83.8 million.

PAKISTAN: IDA—\$16 million. A new oil berth will be constructed at the port of Karachi. The berth will accommodate 75,000 dwt. oil tankers, and the project will enable the port to handle the expected oil traffic until about 1981. Total cost: \$23.9 million.

PERU: Bank—\$26 million. A 136-mile stretch of road linking Peru's coastal areas with its vast mountainous and jungle hinterland will be improved. More than 100 miles of feeder roads will be improved and equipment for a maintenance program financed. The project will not only improve the link between the country's coast and the Amazon jungle, but will also provide access to other economically underdeveloped areas in the country. Total cost: \$40 million.

PHILIPPINES: Bank—\$68 million. About 870 miles of roads on the island of Luzon will be constructed, improved or rehabilitated. Besides furthering economic growth in the areas to be served by the roads and reducing inland transport costs, the project will also provide year-round and flood-free access from agricultural areas to the greater Manila area. Total cost: \$128.2 million.

PHILIPPINES: Bank—\$6.1 million. Cagayan de Oro and General Santos, two principal ports on the island of Mindanao, will be expanded. Both ports serve important agricultural areas producing corn, vegetables, fruit, beef and rice. The project will help to reduce inter-island transport costs by reducing cargo handling and shipping costs. Total cost: \$12 million.

RWANDA: IDA—\$6.3 million. Financial assistance for improving about 60 miles of roads to paved standards and for technical assistance and training of highway maintenance personnel will be provided. The project also includes feasibility and engineering studies of 143 more miles of roads. Total cost: \$7.7 million.

SUDAN: IDA—\$24 million. The project is designed to improve Sudan's railroads. In addition, operations in Port Sudan, the country's only deep-water port, will be expanded; equipment and technical assistance will be provided to the River Transport Corporation; and consultant services will be financed for airport development studies. Total cost: \$79.7 million.

TOGO: IDA—\$8.7 million. This project involves a wide range of activities for road reconstruction and maintenance in Togo. It consists of rehabilitation (50 miles), improvement (47 miles), construction (32 miles) and reconstruction (seven bridges). The highway maintenance program will be strengthened, unpaved roads surveyed, engineering studies made, and technical assistance provided. Total cost: \$12.5 million.

YUGOSLAVIA: Bank—\$30 million. Six sections of highways, 95 miles long, in one of the country's poorer regions, Bosnia-Herzegovina, will be constructed or upgraded, bringing about cheaper and speedier transportation of agricultural produce and processed foods, fuels, chemicals, timber and wood products and construction materials. Total cost: \$60 million.

Urbanization

BOTSWANA: IDA—\$3 million. This credit will help improve the social environment and public health conditions for Francistown's low-income population. Included in the project are community facilities, sites and services and traditional housing plots for 1,800 households, and improvements to existing low-income areas affecting more than 1,000 households. Total cost: \$4.36 million.

INDIA: IDA—\$35 million. Forty-four schemes covering water supply, sewerage and drainage, roads and traffic improvement, environmental hygiene, garbage disposal, and housing and area development comprise this project in support of the Calcutta Metropolitan Development Authority's program for rehabilitation and improvement of basic urban facilities. Total cost: \$96.9 million.

IRAN: Bank—\$42 million. This project will help meet Tehran's most urgent needs for improved bus transportation, relieve traffic congestion in the city, and guide future growth of the Tehran urban region. The bus fleet will be increased, two bus depots will be built, old buses rehabilitated, and bus company management improved. Total cost: \$65.9 million.

JAMAICA: Bank—\$15 million. About 6,000 low-income families will be provided low-cost housing under this comprehensive sites and services project in four cities. Most of the lots will be located in Kingston; all will be provided with related infrastructure and community facilities. Small- and medium-sized industries, to be located in or near the sites and services areas, will also be financed. Total cost: \$30 million.

TUNISIA: Bank—\$11 million; IDA—\$7 million. Planning of urban growth and an improvement in public transportation in the Tunis metropolitan area will be aided by this project, which will principally benefit low- and middle-income earners. Total cost: \$28.6 million.

Water Supply and Sewerage

BRAZIL: Bank—\$36 million. This loan is for a project which reflects a new approach in Bank lending for water supply projects. Hitherto, the Bank has assisted individual projects, but this loan is being made to a national financial organization which, in turn, will relend the proceeds to a state enterprise responsible for the sector in a whole state. The loan will help finance water supply and sewerage projects in Minas Gerais, Brazil's second most populous state. Total cost: \$92 million.

ECUADOR: Bank—\$23.2 million. The water supply system in Guayaquil, Ecuador's largest city, and several towns in Guayas province will be improved under this project. About 500,000 inhabitants of Guayaquil now have an adequate water supply; by 1977, that number should be raised to 960,000 under the project. Water services will also be supplied for the first time to more than 75,000 people living in the Santa Elena Peninsula. Total cost: \$38.3 million.

GHANA: IDA—\$10.4 million. This credit, together with funds from the Canadian International Development Agency and the African Development Bank, will help finance a scheme designed to provide a constant supply of water to more than a million people by the end of the decade. Water supplies in the Accra-Tema metropolitan area, with a population of about 900,000, will be improved, and about 200,000 people in rural areas, many of whom rely on polluted ponds, streams and wells, will be provided a safe supply of water. Total cost: \$44.7 million.

NEPAL: IDA—\$7.8 million. By 1978, 95% of the population of the Kathmandu valley and the tourism center of Pokhara will be provided—for the first time—with an adequate and safe water supply system. At the same time, sewer-

age facilities will be extended in Kathmandu and to nearby Lalitpur. Total cost: \$10.37 million.

SINGAPORE: Bank—\$12 million. Thirty-eight miles of sewer mains, improvements to eight existing sewerage facilities, and construction of additional pumping stations and treatment plants are included in this project. It is part of an ongoing program to provide sewer services to developing areas—particularly to urban renewal and housing areas of Singapore. Total cost: \$29.5 million.

THAILAND: Bank—\$55 million. This loan, together with an Asian Development Bank loan for \$19.6 million, will help finance the first major phase of construction and management reform under a 30-year program to respond to the demand for water in the Bangkok metropolitan region. The physical water system will be expanded, increasing the number of people served from 2 million to 3.5 million. Total cost: \$214 million.

TUNISIA: Bank—\$23 million. Water supply in Tunisia's second largest city, Sfax, will be improved with the help of this loan. Other project components will serve to bring piped water supplies to many low-income groups in urban and rural areas for the first time. The Bank has now helped to finance three water supply projects in Tunisia. Total cost: \$42.6 million.

YEMEN ARAB REPUBLIC: IDA—\$6.25 million. Sana'a's critical water supply situation, in which residents obtain water from small distribution networks, private wells and vendors, will be improved by this project. It will help provide the country's capital with an adequate public water supply system and also create a competent national organization to administer water and sewerage systems nationwide. Total cost: \$6.8 million.

Technical Assistance and Other Activities

Technical Assistance

The provision of technical assistance continues to be an integral and important element in the Bank's work. By far the largest element is the advice and assistance given by the Bank in the normal course of economic and sector work, and of identification, preparation, appraisal and supervision of projects supported by the Bank. This is why some of the Bank's member countries which no longer require a net transfer of resources from the Bank nevertheless want the Bank to continue project lending for key sectors of the economy in need of technical assistance, including assistance in establishing strong national institutions to promote development. It is intended that project loans to such countries will be offset by loans from the countries to the Bank. (See, for instance, the "Europe, Middle East and North Africa" section of this Report.)

The cost of assistance provided as an aspect of economic and project activity is not readily measurable in accounting terms. In recent years, however, loans and credits which include a specific technical assistance component (for overseas fellowships, for example) have steadily increased in number, in absolute amount, and as a percentage of total loans and credits. In fiscal 1969, 55 loans and credits, representing just under 45% of all Bank and IDA lending, had an identifiable technical assistance component; the amount allocated to technical assistance was \$41.7 million. In fiscal 1974, 112 loans and credits representing 64% of the year's lending had a technical assistance component, while the total amount made available for technical assistance in project loans and credits reached a peak of \$99 million. The year was also unusual in the number and character of operations solely for a program of preinvestment activity. There were four such operations, three of which—in Chile, Colombia and Oman—for the first time were financed by a Bank loan rather than an IDA technical assistance credit or a grant.

Since 1967, it has been the Bank's policy not to make grants for technical assistance unless the circumstances are exceptional. Member countries seeking grant financing for technical

assistance have been encouraged to apply to the United Nations Development Programme (UNDP), bilateral sources, regional banks or foundations. However, if grant financing cannot be obtained elsewhere and considerations relating to a country's economic situation make loan financing of the requisite assistance undesirable, the Bank will consider providing grant funds up to a maximum of \$200,000. Application of this policy precluded any technical assistance grants for several recent years. In fiscal 1974, however, three such grants were made. One, to the Yemen Arab Republic, continued support of planning assistance which the Kuwait Fund for Arab Economic Development is also helping to finance. The other two, to Liberia and Zaire, financed planning advisory projects which the UNDP is also supporting (together with the U.S. Agency for International Development in the case of Liberia), and for which the Bank is acting as Executing Agency.

The Bank frequently serves as Executing Agency for projects financed by the UNDP. The principal, although not the only, criterion it employs in determining whether it will do so is that there be available within the Bank the knowledge and technical competence necessary for proper direction of the project. During fiscal 1974, the Bank agreed to serve as Executing Agency for 30 new projects for which the UNDP committed \$9.9 million. The trend toward greater emphasis on institution-building projects continued. Among the new projects for which the Bank is serving as Executing Agency are development planning projects in Ethiopia, Indonesia, Liberia, Sudan and Zaire. A novel feature of the projects in Sudan and Zaire is that the Bank's Economic Development Institute (EDI) will conduct projects courses in these countries using local case material. Part of the EDI program will involve the training of trainers, with the objective of building up local capability to conduct projects courses in future.

A number of preinvestment projects for which the Bank has served as Executing Agency have led to Bank Group investment. It is estimated that studies completed or under way have led to Bank and IDA project financing aggregating more than \$2,200 million as of

December 31, 1973. Among such projects financed in fiscal 1974 were highway projects in Afghanistan, Malaysia and the Philippines, which grew out of transport surveys, and a power project in Panama which followed on preparation of a master energy plan.

Economic Development Institute

The Economic Development Institute (EDI) continues to expand and diversify its activities in providing training for government officials at the middle and upper levels of responsibility who are concerned with development programs and projects. It has become one of the most important of the Bank's activities in the field of technical assistance. In January, the Executive Directors reviewed the work of the Institute and concluded that a substantial expansion in training programs of the type provided by EDI would be necessary. However, it was agreed that while the Bank Group may have a comparative advantage in this field, it did not necessarily mean that EDI should be expected to try to meet the demand directly and by itself.

Logically, the Executive Directors felt, the most useful approach was for EDI to help build capacity in other institutions and to assist in training the staff required by training institutions in developing countries. Even where it was necessary for EDI to provide most of the teaching skills, the unit costs of EDI-sponsored training could best be reduced by cooperating with other training institutions in giving courses outside Washington. It was agreed that, by the end of the 1970s, as many as half of the participants in EDI's Washington courses should be officials responsible for training in institutions with which EDI would be associated in its programs outside headquarters.

Since it was established in 1955, more than 2,350 officials have graduated as Fellows of the Institute. Most have attended courses given in Washington, but there is also a category of Overseas Fellows, created to take account of the rising importance of courses which EDI is offering in developing countries. Ten courses were held in Washington during the year, graduating a total of about 250 Fellows. Outside headquarters, the Institute sponsored or supported 16 courses, with a total of about 375 participants.

The demand for project analysis courses has grown very rapidly, and they now account for the greater part of EDI's activities. Most of the project analysis courses organized during the year were in industry, agriculture, education, transportation, and water supply and waste-water disposal—subjects previously dealt with at the Institute. But three were new: a development banking course, an agro-industries course in Spanish, and an industrial projects course in French. In addition to projects courses, a na-

tional economic management course and a seminar on transport policy were held in Washington.

Activities outside headquarters included regional courses (for participants from several countries) and national courses (for participants from a single country). A regional course on transportation planning and project appraisal in Spanish was arranged in partnership with the Center for Development Training of the Brazilian Planning Institute (CENDEC). In conjunction with the African Development Bank (AfDB), the Economic Commission for Africa (ECA) and the African Institute for Economic Development and Planning (IDEP), and with contributions to fellowships from the German aid program, EDI sponsored two regional courses in the Ivory Coast for African participants: a general projects course in French and an agricultural projects course in English. In Asia, the Institute helped in courses for development bankers offered by the Asian Institute for Economic Development and Planning.

Among national courses, EDI contributed sessions in project analysis and development planning to six courses in Nigeria (social services, agriculture, industry, transport, public utilities and national economic management). The courses were sponsored by the University of Ibadan, under its Planning Studies Programme, for the Nigerian Government. In cooperation with the Center for International Studies of the University of Belgrade, an industrial projects course was offered in Yugoslavia for Romanian participants. EDI presented an agricultural projects course in Iraq in cooperation with the Ministry of Planning. In Asia, a general projects course was given in Indonesia, co-sponsored by the National Planning Training Program. Sessions were given in a course for development economists sponsored by the International Development Center of Japan. An agricultural projects course in Bangladesh was presented by EDI in conjunction with the Bangladesh Institute of Development Studies.

Looking to the future, EDI is trying to meet the rapidly increasing demand for training by further expanding its course program outside headquarters. In this way, the Institute can pool its teaching, administrative and financial resources with other institutions working in the same field to provide more and better training at lower unit costs.

In fiscal 1975, among regional courses, the Institute will again join with the AfDB, ECA and IDEP to present an agricultural and a transportation projects course in French in the Ivory Coast. In Brazil, the Institute and CENDEC will offer regional courses in Spanish in education and agricultural projects. A general projects course will be given in Kuwait in cooperation with the Arab Planning Institute. The Kuwait Fund for Arab Economic Development and the Arab Fund for Economic and Social Development will also support this program.

Among national courses, EDI will continue to support programs in Bangladesh, Iraq and Japan, and will expand its program in Indonesia. An agricultural projects course and a transportation projects course in Sudan, as well as a French-language general projects course in Zaire, have been planned under special programs sponsored by the United Nations Development Programme. The Institute will conduct sessions for officials of the National Bank for Agricultural Development in the Ivory Coast. With the co-sponsorship of CEPECA, the leading Romanian training institution, an industrial projects course will be offered in Romania. EDI will join with the Bankers Training College of the Reserve Bank of India to present a course on development banking in India. In the Middle East, the Institute will offer a general projects course in Saudi Arabia in cooperation with the Institute of Public Administration, and a general projects course in Iran in cooperation with the Industrial Mining and Development Bank of Iran and the Agricultural Development Bank of Iran. The Algerian Ministry of Finance plans to sponsor an EDI projects course for banking officials.

Eleven courses are planned in Washington. Of these, two will be new: a rural development projects course and an English-language agro-industries course which was previously given in Spanish.

Aid Coordination

At the request of both donor and recipient governments, the Bank has taken the lead for many years in organizing aid coordination mechanisms for a number of developing countries that receive assistance from several bilateral and multilateral sources. The form varies from country to country. In some cases, the Bank sponsors consortia, consultative groups or some other coordinating arrangement. In others, it supports similar efforts sponsored by the recipient country, a principal donor government or another international organization.

During the year, there were formal meetings of nine of the coordinating groups chaired by the Bank. These were the groups for Ethiopia, India, East Africa (Kenya), the Republic of Korea, Morocco, Pakistan, Sri Lanka, Sudan and Zaire. In addition, the Bank provided staff support for two meetings of the Inter-Governmental Group for Indonesia, for which the Government of the Netherlands serves as chairman, and for one meeting of the Consortium for Turkey, sponsored by the Organization for Economic Co-operation and Development.

One indication of closer cooperation among various development assistance agencies is the large number of projects which the Bank and IDA helped finance jointly or in parallel with other bilateral or multilateral agencies. Co-financing together with the United Nations

Development Programme (UNDP) and various regional financing institutions, as well as with aid agencies in Belgium, Canada, France, Germany, Japan, Kuwait, Norway, Sweden, the United Kingdom and the United States, followed well-established patterns. In addition, for the first time, projects were financed together with the African Development Fund (the newly created soft-loan affiliate of the African Development Bank), and several Arab sources, including the Abu Dhabi Fund and the Arab Fund for Economic and Social Development, the Libyan Arab Foreign Bank and the State of Qatar. During the year, the Bank and IDA concluded a cooperation agreement with Norway which sets out the general scope, terms and conditions of future co-financing between Norway and the two institutions. A similar cooperation agreement with the Federal Republic of Germany is being prepared. In November, another round of consultations was held in Tokyo regarding the respective lending programs of Japanese agencies (the Overseas Economic Cooperation Fund and the Export-Import Bank of Japan) and the Bank and IDA in developing countries around the world.

Inter-Agency Cooperation

The Bank Group and other parts of the United Nations system have been cooperating more closely as they work out both formal and informal arrangements designed to avoid duplication and to achieve the greatest possible development impact through the expertise and facilities of each.

As noted earlier, the Bank often has a role to play in connection with preinvestment projects financed by the UNDP. Conversely, the UNDP has been a source of funds for technical assistance associated with investment projects financed by the Bank Group. During the year, these included UNDP support for a highway project in Cameroon, a rural development project in Mauritius, an urban planning and public transport project in Tunisia, and an education project in the Yemen Arab Republic.

To increase the opportunities for financial support from the Bank Group for priority development projects in member countries, and to facilitate broader knowledge of sector needs and investment targets, Cooperative Programs have been established between the Bank and each of four United Nations agencies: the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (Unesco), the World Health Organization (WHO) and the United Nations Industrial Development Organization (UNIDO). Under these Programs, assistance is provided to governments in the identification and preparation of projects for Bank Group financing. The scope of the

UNIDO-Bank Program explicitly extends to activities of primary interest to IFC. The agreements establishing the Programs also contemplate that the agencies will provide staff assistance to the Bank in its studies of economic sectors within their respective fields, and for Bank economic, appraisal and supervisory missions. Seventy-five percent of the cost of agreed work under each Program is met by the Bank, 25% by the partner agency.

During the year, staff of the Unesco-Bank Cooperative Program helped to identify and prepare two-thirds of the education projects approved by the Executive Directors. Unesco staff participated in 27 Bank missions.

Staff of the FAO-Bank Cooperative Program participated in the preparation of slightly over one-third of the agricultural projects approved by the Executive Directors, and carried out 147 missions in 55 countries, mainly for project identification and preparation.

Ten sector reconnaissance missions and one economic mission were undertaken by the staff of the WHO-Bank Cooperative Program, and sector studies or reviews were begun or completed in 18 countries. Assistance was provided for four project development missions, and WHO regional and project engineers were involved in 16 assignments associated with Bank missions.

The UNIDO-Bank Cooperative Program agreement did not become formally effective until January 1, 1974, although Program activity had begun before then. The Program unit in UNIDO filled five of its six professional posts during the fiscal year, and the services of regular UNIDO staff, consultants and field advisors were also drawn upon for Program work. Staff of the Program helped to prepare two industrial projects approved by the Executive Directors, and took part in four project identification, preparation or appraisal missions, as well as three sector study missions.

Collaboration between the Bank and each of its Cooperative Program partners goes well beyond the scope of the particular Cooperative Program. For example, although the WHO-Bank Cooperative Program is concerned with water supply and sewerage only, procedures were agreed on during the year to guide staff of the two organizations carrying out activities in the population sector. The year saw the first operational program review of WHO-Bank work in population, during which experience in project work was exchanged and the status of current operations and future operational plans was discussed.

Working relationships have been developed with agencies of the United Nations family other than Cooperative Program partners, and during the year some of these were broadened. Like the relationships with the partner agencies, these have evolved gradually, at the staff level, as it appeared that they might help to sharpen the focus of agency activity.

The Bank continued to maintain close working relations with various international institutions in the population field, particularly the U. N. Fund for Population Activities (UNFPA). Regular meetings were held with the UNFPA to coordinate activities.

The Bank and the International Labour Office (ILO) continued their periodic review of operations of mutual interest. Arrangements were made to increase the opportunities for ILO support of and participation in Bank missions. This is consistent with the greater emphasis which the Bank is giving to employment, rural development, income distribution and manpower.

Officials of the United Nations Children's Fund (UNICEF) made their fourth annual visit to the Bank for an informal exchange on program policies and plans in areas of common interest, such as education, rural water supply and rural development, urban improvement schemes, population and nutrition.

In addition to developing relationships in the course of regular agency operations, the Bank was a participant in joint efforts by several agencies responding to special development problems. These included collaboration with FAO and with the Special Sahelian Office of the United Nations in dealing with the drought emergency in the Sudano-Sahelian region of Africa and in meeting the medium- and long-term rehabilitation needs of the countries concerned. The Bank cooperated with the United Nations Relief Operations in Bangladesh (UNROB) and, in cooperation with the United Nations, sent a special mission to Pakistan, following the floods, to consider and propose immediate and long-term rehabilitation measures. The Bank is joining with the International Monetary Fund, the UNDP, the United Nations Conference on Trade and Development, FAO and the U. N. in assisting a committee to make recommendations concerned with a "Special Fund" for emergency relief and development assistance which the U. N. General Assembly decided to establish at its special session in April-May 1974.

The Bank and WHO were among the signatories of an agreement under which funds will be provided to cover the costs of the first year of a 20-year river blindness control operation in Western Africa. Implementation of the program is the responsibility of WHO, working in close association with FAO and UNDP, and with the Bank, which is administrator of the special fund established by the agreement. Further details are given in the "Western Africa" section of this Report.

The Bank was also involved during the year in preparatory work for forthcoming international conferences. It contributed several papers to the background documentation for the World Food Conference to be held in the fall of 1974. These papers deal with the world fertilizer situation, the requirements for inter-

national agricultural research to help meet the world's food needs, the problems involved in increasing the availability of agricultural credit, and the Bank's own role in financing and mobilizing resources for food production.

For the World Population Conference to be held in August 1974, the Bank submitted a paper on the management factor in family planning programs, and provided material for other background documents. It participated in the Committee of Experts who commented on the Draft World Population Plan of Action, and took part in the regional consultations on that Plan.

The Bank established arrangements for liaison with other agencies participating in the Law of the Sea Conference held in June, and made arrangements for its own participation.

Liaison with the regional development banks continued, maintained in the field largely through World Bank resident missions. Some of the year's financing was related to lending operations of the regional banks. For example, the Asian Development Bank (AsDB) made loans for a fertilizer project in Pakistan which the World Bank also helped to finance. A credit to Chad for rice irrigation was paralleled by a loan from the African Development Fund, an affiliate of the African Development Bank. World Bank lending to the Philippines for a port project complemented AsDB financing for highway improvement and irrigation, while a loan to Peru for agricultural credit complemented Inter-American Development Bank lending for newly established cooperatives. The European Investment Bank (EIB) and the World Bank engaged in joint financing of a forest utilization project in Turkey, and the EIB participated in an engineering loan to Senegal.

A variety of documents submitted to the Bank's Executive Directors are made available to U. N. agencies and regional development banks. Such documents include country economic reports, sector reports, project appraisal reports, commodity studies, schedule of forthcoming missions, and semi-annual reports on technical assistance activities. During the year, these arrangements were broadened. New organizations, such as the recently created United Nations Economic Commission for Western Asia, were brought into the scope of the arrangements. Additional documentation, including the Bank's project performance audits which analyze the extent to which a project's objectives have been achieved, was made available to agencies already on the list. Negotiations are under way with the Central American Bank for Economic Integration, looking toward a reciprocal agreement on the exchange of documents.

International Agricultural Research

The Bank continued to serve as Chairman and, with FAO and UNDP, as co-sponsor of

the Consultative Group on International Agricultural Research. During the year, the Group agreed to give financial support to four international research programs, in addition to the six⁽¹⁾ which it already had been supporting. The four programs are those of the International Laboratory for Research on Animal Diseases (ILRAD), which was established in Kenya early in 1974; the field testing program of the West African Rice Development Association (WARDA), which has its headquarters in Liberia; the International Livestock Center for Africa (ILCA), which is intended to be based in Ethiopia; and the International Board for Plant Genetic Resources, based in Rome. The Group's Technical Advisory Committee, in addition, neared the completion of recommendations for the establishment of an international agricultural research program designed particularly to benefit agriculture in the countries of the Near East and North Africa.

Twenty of the 29 members of the Group made grants for international agricultural research programs applicable to the calendar year 1974. The total was \$33 million, compared with \$24 million in the previous year. Included in this amount were \$2,375,000 of grants by IDA, made from funds transferred to the Association out of the Bank's net income for fiscal 1973. The grants comprise the following: \$1,155,000 to IRRI; \$600,000 to CIAT; \$250,000 to IITA; \$200,000 to CIMMYT; \$105,000 to WARDA; and \$65,000 to CIP. Of IDA grants for 1974, \$1.4 million were approved during, and the remainder soon after, fiscal 1974.

In discussing problems being confronted by international agricultural research centers, members of the Consultative Group showed a continuing preoccupation with three issues. They expressed a desire that research at the centers be effectively related to the socio-economic setting in developing countries, and especially to the small farmer and his problems. They urged that increasing emphasis be given to the development of cooperation between international research programs and national programs of agricultural research and production. Finally, they accepted a report from a subcommittee recommending measures to improve planning, budgeting and review of international agricultural research programs; new responsibilities were placed on the Group's Executive Secretariat in this regard.

⁽¹⁾ The International Center of Tropical Agriculture (CIAT) based in Colombia; the International Maize and Wheat Improvement Center (CIMMYT) in Mexico; the International Potato Center (CIP) in Peru; the International Institute of Tropical Agriculture (IITA) in Nigeria; the International Rice Research Institute (IRRI) in the Philippines; and the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) in India.

Audit and Evaluation

The Bank Group has the responsibility of providing assurance to its shareholders and creditors that the resources supplied by them are adequately protected and are achieving the desired results. This assurance is provided through audit and evaluation in five main areas:

1. Financial accountability.
2. Compliance with applicable policies and procedures.
3. Reliability and adequacy of internal management information systems.
4. Effective and efficient use of resources.
5. Evaluation of the results of operations.

To achieve this, the Bank Group undertakes a continuous program of independent examination and review of its activities from both outside and within its organization.

An international firm of accountants is retained annually by the Bank Group to examine and to report on the financial position and results of operation of its various entities as reported in published financial statements. In addition to these services, the Bank Group maintains a substantial internal capability for audit and evaluation which is organizationally independent from units directly responsible for financial, administrative, lending and other activities. This capability is centered in an Internal Auditing Department and an Operations Evaluation Department under a Vice President who has no direct operational responsibilities.

As part of the audit and evaluation of Bank Group activities, a system of preparing "performance audits" on projects supported by the Bank and IDA has been developed. Such "audits" are prepared within about a year after disbursements against a loan or credit have been completed. All projects for which disbursements ended after July 1, 1972, are subject to this system. The "performance audits" review the extent to which the objectives of the project, and the assistance given by the Bank and IDA, have been achieved. They analyze the reasons for shortfalls, if any. They try also to assess the effectiveness and efficiency of the Bank Group's involvement.

The Bank and IDA, in addition, make evaluation studies which go deeper than "performance audits" and seek to analyze whether the original objectives of a project or loan were correct in retrospect, or should have been different in order to contribute more fully to development. Such studies have been completed: (1) on a group of Bank-assisted highway projects intended particularly to stimulate rural and regional development in a number of countries; (2) on one of the earlier IDA-assisted education projects; and (3) on the Bank's support for development finance companies (emphasizing three individual country cases).

Two other evaluation studies have been begun. One deals with Bank and IDA lending

for agricultural credit, mainly on the basis of five cases where lending has been in progress since the middle 1960s or earlier. The other makes a first approach to analyzing how the technical and managerial innovations in projects involving external assistance can be diffused more widely; the study is based on a sample of projects for port development and agricultural credit.

Experiments have begun with a third approach to evaluation of Bank and IDA operations: studies focusing not on the impact of a particular project or group of projects, but on the effectiveness and validity of a particular policy or procedure adopted by the Bank and IDA, as illustrated by its application in a number of cases. Initial studies are being made on the steps that borrowers are required to take before loans and credits become effective, and also on the preparation of projects prior to their appraisal for lending. Both studies are concentrating first on cases where there have been particularly long delays in loans and credits becoming effective or in project preparation. One principal object is to identify ways in which the delays might be reduced.

All major studies offer suggestions for improving the Bank Group's policies, practices and procedures. When a sufficient number of "performance audits" of individual projects have been done, it is planned to draw together the lessons that emerge from them. Special attention has been given to following up the suggestions with operating departments so as to see how they can be implemented. This is becoming an increasingly important part of the work as more evaluation studies are completed. One follow-up report about steps taken in connection with such suggestions has already been completed and others are under way.

The Bank Group's audit and evaluation program is subject to review by the Joint Audit Committee; its responsibilities are outlined below.

Joint Audit Committee

The terms of reference of the Bank Group's Joint Audit Committee were amended by the Executive Directors in November 1973 to include in its responsibility the duty to satisfy itself that the Bank Group's internal audit and operations evaluation are adequate and efficient.

The Joint Audit Committee was set up in 1970. It consists of six Executive Directors, appointed annually by the Board. In 1973/74, the chairman was Mr. C. M. Isbister. The Committee's responsibilities under its terms of reference, besides those for the Bank Group's internal audit and operations evaluation activities, are to nominate a firm of private, independent, internationally established accountants to conduct the Bank Group's annual

audits, to discuss with them the scope of their examinations, to review with them the annual audited statements and the opinions thereon, and to report to the Executive Directors. Thus, the Committee serves as a focus for consideration of the Bank Group's financial control and operations evaluation procedures. Through its discussions with the relevant officers and with the independent accountants, it helps to provide assurance to the Executive Directors that the Bank Group's financial affairs are properly conducted. It provides a continuing channel by which the internal and external auditors may communicate with the Executive Directors, should the need arise.

Economic Research and Studies

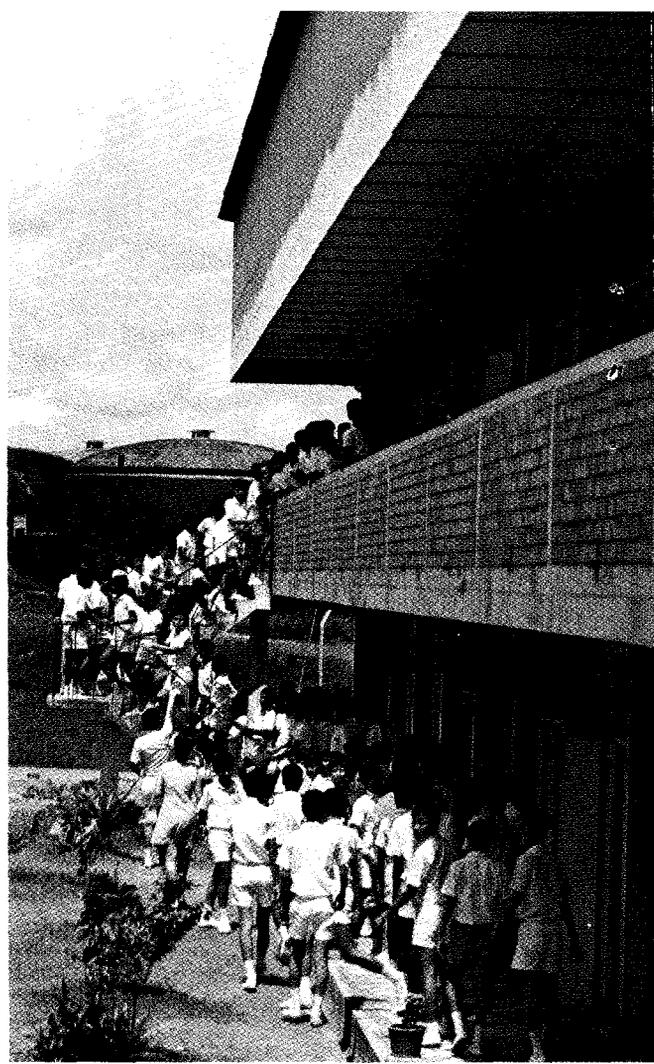
The Executive Directors conducted a detailed review of the Bank's research program during the year. Although considerable progress has been made in organizing the program, they agreed that further efforts are necessary to improve the dissemination of research results; to expand collaboration with research workers and research institutes in developing countries; and to improve the international exchange of information on research priorities and the coordination of work in progress.

The Executive Directors noted that the Bank is broadening the areas of its concern to include such fields as population, rural development, income distribution, urbanization and employment. In these fields, data are scarce and the formulation of policy measures and action programs is hampered by lack of knowledge. The Bank seeks to limit itself to research in which it has a comparative advantage, and to avoid duplicating the work of others. The main focus of the Bank's research is to provide support for the operational program and to establish a conceptual and methodological basis for dealing with major new problems.

There has been a modest expansion of the research program. It now consists of over 50 projects, of which 22 were initiated during the year.

A major study of rural development projects in Africa has been completed. It makes a comparative evaluation of 13 projects—including several supported by the Bank and IDA—in Cameroon, Ethiopia, Kenya, Malawi, Mali, Nigeria and Tanzania. Each project has been carefully reviewed in collaboration with government agencies and research institutes. The focus has been on assessing how effective policies and institutions have been in benefiting large segments of the rural population.

An important aspect of rural development is the provision of services such as electricity. The Bank has completed most of the work on a study which attempts to develop methods of



Time for class at a Malaysian school. In April the global total of Bank Group assistance for education passed the \$1,000 million mark with a loan to Malaysia designed to expand educational opportunities in rural areas.

identifying and measuring the social costs and benefits of rural electrification. The study investigates the impact on productivity and output in agriculture, agro-industries and village commerce, as well as on living standards, social development and migration from rural to urban areas. The research is based on a broad sample of farms, agro-industries, households and village communities in El Salvador, and has taken about two years to complete. It has been conducted in association with a team of research workers from the Catholic University of El Salvador. The results of the study are expected to have a significant impact on Bank and IDA policies relating to public utility, particularly electrification, projects in the rural areas.

Among the major subjects of research at present are the technical and economic aspects of the substitution of labor for equipment in road and other civil works construction. The study has concluded that extremely labor-intensive techniques are not competitive with modern capital-intensive techniques, and that the major emphasis should be on developing intermediate technologies. Determining such economically optimal techniques is the subject of the next phase of this research. The influence of health and nutrition on labor productivity is being investigated in a number of related studies.

The comparative analysis of development processes across nations is handicapped by the fact that official exchange rates often cannot be used in arriving at a standard unit of measurement. A major research project to develop and implement methodologies to improve international comparability of national accounting aggregates is being carried out jointly by the United Nations Statistical Office and the University of Pennsylvania. The study has so far provided detailed comparisons for a group of countries which differ widely in terms of income levels, nature of economic systems and physical environment. The current phase of the work consists of extending the detailed comparisons to additional developing countries, and evaluating a simplified methodology. One goal is to establish a framework that can be the basis for a continuing comparison of an expanding number of countries over time.

The Bank has been involved in a number of research projects that attempt to establish a basis for dealing with the problems of urban poverty. Some of them involve the improvement of the data base in a broad sample of cities. In Latin America, this is being done in collaboration with the Programa de Estudios Conjuntos Sobre Integración Económica Latinoamericana (ECIEL). Other projects are designed specifically to study urban labor markets.

They examine the relationship between labor participation rates, individual earnings and family incomes among households in different sectors of the urban economy.

The principal objectives of the Bank's research work are to broaden understanding of the development process; improve the analysis of alternative development strategies and investment choices; and develop techniques for designing and evaluating individual lending operations. To facilitate wider dissemination, the results of the Bank's research work are often published as "Staff Working Papers," and sometimes as monographs or as books. A complete list of publications is available in the "World Bank Catalog," which is issued annually.

International Centre for Settlement of Investment Disputes

By June 30, 1974, 65 States had ratified the *Convention on the Settlement of Investment Disputes between States and Nationals of Other States*, and are thus members of the International Centre for Settlement of Investment Disputes (ICSID). Three additional governments had signed but not yet ratified the Convention. The Centre's own Annual Report provides details of its membership and affairs.

Bank and IDA Membership

The Bank's membership increased to 124 as The Bahamas and Western Samoa became members. IDA's membership increased to 113 when Western Samoa joined. At the end of the year, action was pending on membership in the Bank for Barbados and Papua New Guinea; and in IDA for New Zealand and Papua New Guinea.

Borrowings and Finance

Income and Expenditure: Bank

Net income of the Bank reached a record \$216 million in fiscal 1974. This figure represented a gain of \$30 million, or nearly 16% above net income reported in the previous year. The increase reflected a rise of \$171 million in total income to \$929 million, which was only partially offset by increased expenditures.

Income from investments was up \$52 million to \$267 million as a result of a further increase of \$166 million in portfolio investments and of improved yields on securities. Income from loans rose nearly 22% to \$654 million, and other income increased by \$2 million to \$8 million.

Expenditures by the Bank totaled \$714 million, an increase of \$141 million or about 25% over fiscal 1973. Interest on the Bank's borrowings and issuance expenses were \$623 million, or \$129 million higher.

The Bank's administrative expenses in fiscal 1974 increased \$12 million to \$91 million, after deducting \$43 million as a management fee charged to IDA and \$1.5 million paid to the Bank by IFC as a service and support fee. The rise in administrative expenses is due in part to a further expansion in personnel and to the continuing inflationary increases in the costs of doing business.

In September 1973, the Board of Governors approved a transfer of \$110 million from the Bank's net income for fiscal 1973 as a grant to IDA. The remaining \$76 million of the fiscal 1973 net income was allocated to the Supplemental Reserve Against Losses on Loans and from Currency Devaluations.

Other Financial Operations: Bank

Loans held by the Bank on June 30, 1974, totaled \$18,067 million, including loans not yet effective and \$1,395 million in exchange adjustments resulting principally from changes in currency valuations during the last three fiscal years. Effective loans held by the Bank amounted to \$16,232 million. These figures do not include \$400 million of effective loans outstanding to IFC held by the Bank, on which \$173 million had been disbursed.

A record volume of disbursements on loans to member countries was reported by the Bank in fiscal 1974. The total of \$1,533 million was \$353 million above the previous year's figure. In each of the last three fiscal years, disbursements have exceeded \$1,000 million. Aggregate disbursements in these three years were \$3,895 million, a gain of some 60% over the \$2,431 million of disbursements in the fiscal 1969-71 period.

The rising trend in disbursements reflects inflation, the greatly accelerated pace of World Bank lending beginning in fiscal 1969, and the continuing efforts of the Bank and the borrowing countries to facilitate the disbursement process. The undisbursed portion of effective and non-effective loans to member countries at the end of the year amounted to \$7,751 million.

The Bank's borrowers repaid \$592 million in fiscal 1974: \$480 million to the Bank and \$112 million to investors who had purchased portions of loans. Cumulative repayments to June 30, 1974, amounted to \$5,906 million: \$3,762 million to the Bank and \$2,144 million to purchasers of loans.

Sales of participations in loans during the year were adversely affected by the high interest rates prevailing in the world capital markets which restricted or prevented many institutional investors from participating in the Bank's loans. A total of \$17 million of participations was sold, including a participation by Norway, on a grant basis, of \$11 million equivalent in a loan to Zambia for an education project. This was the first participation taken by Norway under the terms of the aid cooperation agreement between that country and the World Bank and IDA. After adjustments for changes in the values of non-dollar currencies, the cumulative total of loan sales by the Bank was \$2,510 million on June 30, 1974.

Liquid resources available to the Bank on June 30, 1974, amounted to \$3,843 million, an increase of \$66 million during the year.

The Bank's Borrowings—Fiscal 1974

Twenty-one issues aggregating \$1,853 million equivalent were marketed by the Bank in

fiscal 1974. The total was a record, and represented an increase of \$130 million over the previous year. Central banks, governments and governmental agencies purchased \$1,475 million of these issues, equal to 80% of the total. In the fiscal years 1972 and 1973, these entities purchased 32% and 59%, respectively, of the Bank's issues.

The marketing program of the World Bank in fiscal 1974 was highlighted by a sharp rise in borrowings from the petroleum-exporting countries. During the year, the Bank borrowed the equivalent of \$565 million in the petroleum-exporting countries, equal to 31% of all borrowings for the period. In fiscal 1973, such borrowings amounted to only 13% of the total.

The fiscal 1974 figures include \$485 million equivalent of long-term borrowings in five countries that are members of the Organization of Petroleum Exporting Countries (OPEC). Of these issues, \$200 million was placed with the Government of Iran, \$101 million with the Central Bank of Libya, \$76 million of bonds denominated in United Arab Emirates dirhams were sold to the Government of Abu Dhabi, \$23 million was placed with a group of commercial banks in Venezuela, and the remaining \$85 million consisted of an offering of dinar bonds in Kuwait. The transactions in Iran, the United Arab Emirates and Venezuela were the first long-term borrowings by the Bank in those countries.

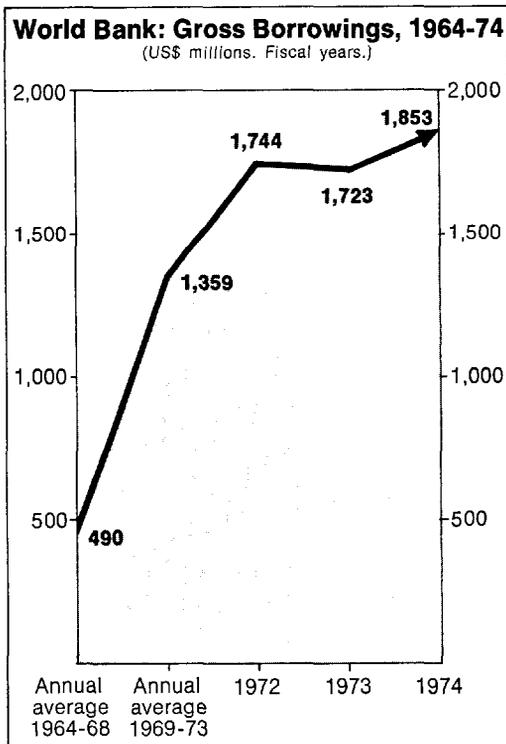
A further \$80 million⁽¹⁾ of the Bank's two-year U.S. dollar bonds were placed with central banks and governmental agencies in 14 petroleum-exporting countries.

Arrangements for two additional borrowings from petroleum-exporting countries were completed in fiscal 1974. In May 1974, the Sultanate of Oman and the World Bank signed an agreement covering a \$30 million loan by the Sultanate to the Bank. In the following month, the Saudi Arabian Monetary Agency and the Bank signed an agreement for the private placement of the Bank's first issue of bonds denominated in Saudi Arabian riyals. The issue amounting to SRIs 500 million, equivalent to about \$141 million, will mature in 1984. Settlement on the two issues was scheduled for after the close of the fiscal year, so that they are not included in the total borrowings for the period.

The World Bank expects to borrow further substantial amounts of funds from the petroleum-exporting countries, and negotiations to this effect are now in progress.

In the investment markets, the Bank borrowed the equivalent of \$378 million. This included five public offerings aggregating \$230 million—one each in Japan, Kuwait, Sweden, Switzerland and Venezuela. A further \$148 million was raised through private placements with investors in Switzerland.

⁽¹⁾ Of this sum, \$63 million represented refunding of holdings of maturing issues and \$17 million were additional purchases.



During the year, the Bank borrowed ¥ 122,200 million, equivalent to \$461 million, in Japan, which again was the largest supplier of borrowed funds. Included was ¥ 95,000 million drawn down in five tranches under a loan agreement signed in February 1973 by which The Bank of Japan agreed to lend the World Bank ¥ 135,000 million. Each tranche had an average maturity of 6½ years and interest costs ranged from 7.01% to 7.44%. In fiscal 1973, two draw-downs under this loan totaling ¥ 40,000 million carried an interest rate of 6.74%.

In March 1974, The Bank of Japan and the World Bank entered into a further loan agreement, by which The Bank of Japan offered to lend an amount of up to ¥ 40,800 million as a refunding loan. It would replace five serial obligations held by The Bank of Japan that mature between March 1974 and February 1975. By the end of the fiscal year, the World Bank drew down ¥ 7,200 million at an interest rate of 8.19%.

The remaining funds borrowed in Japan were raised through a public offering of ¥ 20,000 million of 7½% 15-year bonds. Altogether, Japan accounted for nearly 25% of the World Bank's gross borrowings in fiscal 1974.

Borrowing in Germany in the fiscal year was limited to the refunding of four maturing note issues held by the Deutsche Bundesbank. The new note issues, amounting to DM 578 million, have a maturity of about four years and bear interest at 8% and 8¾%.

The Bank borrowed SwF 550 million during the year. Included were three note issues of SwF 150 million each that were privately placed with a group of Swiss banks. Arrangements for the placements were completed in June 1973. Settlement, however, was made after the end of that year and the transactions are included in the fiscal 1974 borrowing operations. The notes mature in six, seven and eight years, with an interest rate of 6 $\frac{3}{8}$ % on the six-year maturity and of 6 $\frac{1}{2}$ % on the notes maturing in seven and eight years. The remaining SwF 100 million was raised by means of a public offering of 7% 15-year bonds.

Additional funds were raised in Europe by means of a 4% U.S. dollar loan amounting to \$31.6 million placed with the Government of Austria; 7 $\frac{1}{4}$ % notes totaling Lit 20,000 million placed with an agency of the Government of Italy; and a public offering of SKr 75 million of 7 $\frac{1}{4}$ % bonds in Sweden.

The Bank's borrowings in the petroleum-exporting countries consisted of a \$200 million 8% 12-year U.S. dollar loan from the Iranian Government; LD 30 million of 7 $\frac{3}{8}$ % 10-year bonds placed with the Central Bank of Libya; UAE dirhams 300 million of 8% 15-year bonds

placed with the Government of Abu Dhabi; Bs 100 million of 7% bonds, due 1977/87, placed with a group of eight commercial banks in Venezuela; and an offering in Kuwait amounting to KD 25 million of 7 $\frac{1}{4}$ % 15-year bonds.

The Bank continued to place two-year U.S. dollar issues with central banks, governmental agencies and international organizations. Two issues totaling \$428 million were placed.

Borrowings during the year included \$1,237 million equivalent of issues sold to raise new funds, and \$616 million of refunding obligations. In fiscal 1973, new borrowings were \$1,205 million and refundings \$518 million. Principal suppliers of new funds in fiscal 1974 were Japan 35%, Iran 16%, Switzerland 14% and Libya 8%.

The outstanding borrowings of the Bank were further increased during the year by delivery of \$43.5 million equivalent of bonds sold in previous years on a delayed delivery basis.

In fiscal 1974, the U.S. dollar equivalent of the Bank's outstanding debt was decreased by \$277 million as a result of the depreciation, in terms of U.S. dollars, of the value of non-dollar currencies in which the debt was denominated.

World Bank Borrowings—Fiscal Year 1974

(In millions)

Issue	Currency of Issue	U.S. dollar ⁽¹⁾ Equivalents
Public Offerings		
Japan	7 $\frac{1}{2}$ % 15-Year Bonds, due 1979/88	¥20,000.0
Kuwait	7 $\frac{1}{4}$ % 15-Year Bonds, due 1976/88	KD25.0
Sweden	7 $\frac{1}{4}$ % 15-Year Bonds, due 1979/88	SKr75.0
Switzerland	7% 15-Year Bonds, due 1989	SwF100.0
Venezuela	7% 13-Year Bonds, due 1977/87	Bs100.0
		<u>23.5</u>
		<u>230.5</u>
Placements		
With Central Banks and Governments		
Republic of Austria	4% Loan, due 1979/89	\$31.6
Deutsche Bundesbank	8 $\frac{3}{4}$ % Note, due 1977	DM154.5
	8 $\frac{3}{4}$ % Note, due 1978	DM101.5
	8% Note, due 1978	DM148.5
	8% Note, due 1978	DM173.5
Government of Iran	8% 12-Year Loan, due 1986	\$200.0
Ufficio Italiano dei Cambi	7 $\frac{1}{4}$ % Note, due 1978/88	Lit20,000.0
The Bank of Japan	7.01%-7.44% Serial Obligations, due 1979/80	¥95,000.0
	8.19% Serial Obligations, due 1980/81	¥7,200.0
Central Bank of Libya	7% Bonds, due 1983	LD30.0
Government of Abu Dhabi	8% Bonds due 1980/89	UAED300.0
International ⁽²⁾	8 $\frac{3}{8}$ % Two-Year Bonds, due 1975	\$170.0
	6.90% Two-Year Bonds, due 1976	\$257.7
		<u>1,474.6</u>
Other		
Switzerland	6 $\frac{3}{8}$ % Six-Year Note, due 1979	SwF150.0
	6 $\frac{1}{2}$ % Seven-Year Note, due 1980	SwF150.0
	6 $\frac{1}{2}$ % Eight-Year Note, due 1981	SwF150.0
		<u>49.3</u>
		<u>147.9</u>
Total of Other Placements		<u>147.9</u>
Total Borrowings FY1974		<u><u>1,853.0</u></u>

⁽¹⁾ Based on official rates at time of borrowing.

⁽²⁾ These Two-Year Bond issues were placed with central banks, governmental agencies, and with international organizations.

A total of \$803 million of debt matured during the year. Central bank bond issues, notes held by the Deutsche Bundesbank and serial obligations held by The Bank of Japan accounted for the bulk of the maturities. Included were \$50 million of 4½% 15-Year Bonds sold on the U.S. market in 1958, the original amount of which was \$100 million. A further \$60 million equivalent of debt was retired in fiscal 1974 by means of sinking fund and purchase fund operations.

The Bank's borrowing costs during the period, weighted by amount and maturity, averaged 7.51%, compared with 6.93% in the previous fiscal year. The overall cost of funds to the Bank, despite the rising costs of borrowed funds, continues to be moderate because of the large amount of funds available from paid-in capital and accumulated earnings. At June 30, 1974, the average cost of all funds was about 4.6%, compared with 4.4% on June 30, 1973.

The Bank's lending rate continued throughout the year at 7¼%, unchanged since 1970.

Distribution of Bank Debt

Outstanding borrowings of the Bank increased \$768 million during the fiscal year to a total of \$9,650 million on June 30, 1974. The estimated distribution of holdings of the Bank's debt by countries on that date showed about 24% held by investors in the United States, 26% in Germany, 17% in Japan, 6% in Switzerland and 5% in Kuwait. The remaining 20% was held largely by central banks in about 70 countries.

Increase in Capital

The Bank's subscribed capital⁽¹⁾ was increased by \$28.3 million in fiscal 1974. Included were the original subscriptions of \$17.1 million from The Bahamas, and of \$1.7 million from Western Samoa, which became members of the Bank during the period. The remaining \$9.5 million represented increases in the capital subscriptions of three member countries: Gabon by \$2 million to \$12 million; Iraq by \$5.8 million to \$69.8 million; and Tanzania by \$1.7 million to \$35 million.

The increases were received by the Bank under a resolution adopted by the Board of Governors in December 1970, which enables the Bank to accept special increases in the capital stock of 75 member countries. Fifty-eight had been accepted by the end of the year for a total of \$1,675 million. This included increases by 55 members in the preceding three fiscal years. Total subscriptions to the Bank's capital on June 30, 1974, amounted to

\$25,225,600,000. Five members have advised the Bank that they will not subscribe to the additional shares authorized for them. But other members eligible for special increases are expected to take up additional capital stock. Authorized capital of the Bank remained unchanged during the year at \$27,000 million.

World Bond Markets—Calendar 1973

For the first time since 1970, the volume of borrowings on the world bond markets decreased in 1973. The decline was led by a sharp fall in sales of international issues. An aggregate of \$9,854 million equivalent of long-term foreign and international issues⁽²⁾ were marketed during the year, a decrease of \$1,458 million or 13% from the record level of 1972. Marketing of World Bank issues remained virtually unchanged; at \$1,902 million, they accounted for 19% of total securities sold on the world bond markets.

Sales of foreign issues increased \$871 million to \$5,256 million. The latter included \$2,602 million distributed on various European markets, and \$2,654 million on the North American and other markets outside Europe. The gain in foreign issues was more than offset by a decline of \$2,330 million or 34% in sales of international issues to a total of \$4,598 million.

The precipitous decline in the volume of international issues has continued into 1974, with the added factor that sales of foreign bonds on the Eurobond market are also down substantially in the first half of the year. Contributing to the slump in the market, as a whole, are exchange rate uncertainties; expectations of further inflation that have caused investors to adopt a more liquid position through investment in short-term money market instruments; the steep rise in short-term rates yielding a positive return, as opposed to negative "real" yields on long-term securities in this period of inflation; and the development of the Eurocurrency credit market as an alternative to the traditional capital markets.

The volume of transactions on the Eurocredit market expanded spectacularly in 1973. No exact figures are available on the overall volume, or on the breakdown between new financing and refundings. However, publicized credits indicate that the growth has been extremely rapid. Publicized Eurocredits in 1973 amounted to \$21,895 million, an increase of 157% over the previous year. Included in this figure were \$12,002 million in credits to borrowers in developed countries (up 178%); \$9,127 million to borrowers in developing

⁽¹⁾ Figures in this subsection are based on the United States dollar of the weight and fineness in effect on July 1, 1944.

⁽²⁾ The terms "foreign" and "international" in this context refer to issues sold outside the country of the borrower: foreign if sold in one national market, international if in more than one simultaneously. Non-dollar securities sold in calendar 1973 are expressed in U.S. dollar equivalents based on the exchange rate vis-à-vis the dollar at the time the securities were offered or placed.

countries (up 139%); and \$766 million to countries that are not members of the World Bank (up 101%). Estimates for the first quarter of calendar 1974 indicate that the rate of growth in the Eurocredit market continued to accelerate. (See also IFC's Annual Report.)

Economic and monetary uncertainties also contributed to a downturn in sales of international issues convertible into common stock. The volume of such issues sold on the international bond market by U.S. corporations amounted to \$335 million in 1973, or only a third of the total for the previous year. The fall reflected the unsettled conditions in the equity markets.

Issuers in the industrialized countries borrowed \$5,543 million in 1973, equal to about 56% of total borrowings in the world bond markets, and a decline of \$1,694 million from the 1972 level. Borrowings by issuers in the industrialized countries of Europe were \$2,812 million, up \$12 million. Borrowings by issuers in other industrialized countries amounted to \$2,731 million, off \$1,706 million or about 38% from the previous year.

For the second consecutive year, borrowings by developing countries exceeded the \$1,000-million mark—totaling \$1,321 million, a gain of about 25% over 1972. International development institutions borrowed \$2,024 million equivalent, a decrease of \$101 million from the previous year. Total borrowings by developing countries and international development institutions, taken together, reached a new peak of \$3,346 million in 1973, and comprised 34% of all obligations sold on the world bond markets during the year.

Despite a sharp decline in the volume of securities sold, Europe for the ninth consecutive year was—through national markets and the Eurobond market—the principal supplier of long-term funds to external borrowers. Sales of foreign and international issues on these markets were \$6,457 million in 1973, a decrease of \$1,773 million from 1972.

Deutsche mark and Swiss francs continued to be the European currencies in greatest demand. Deutsche mark issues amounted to \$1,561 million equivalent, down \$252 million from 1972. Included were \$986 million of international issues denominated in Deutsche mark, of which \$54 million equivalent was placed in Japan; and \$575 million equivalent of foreign issues sold on the German market.

Swiss franc issues sold in 1973 were up \$511 million to the equivalent of \$1,526 million, with nearly half the total going to U.S. corporate borrowers and private and public entities in the U.K. All were sold on the market in Switzerland: \$935 million through public offerings and \$591 million through private placements. Altogether Deutsche mark and Swiss franc issues accounted for over three-fourths of all issues denominated in European currencies that were sold in 1973.

Demand for other major European currencies in 1973 was substantially below the 1972 level. Issues denominated in French francs aggregated the equivalent of \$214 million, down nearly \$300 million from the year before. Netherlands guilder issues amounted to \$192 million—all sold on the international market—and were \$300 million below the 1972 volume. Italian lira issues, at \$118 million equivalent, were off \$80 million. Luxembourg franc issues, at \$162 million, were down \$43 million. Sterling issues in 1973 amounted to the equivalent of only \$38 million, compared with \$160 million in 1972. The volume of Belgian franc issues, on the other hand, increased by \$57 million to \$215 million equivalent.

Two issues denominated in European Composite Units were publicly offered in 1973, one by the European Investment Bank and the other by a private British concern. They aggregated EURCO 50 million, equal to \$64.7 million. Three issues denominated in European Units of Account were publicly offered in the year; one by the Republic of Iceland, and one each by private U.S. and British enterprises. They totaled EUA 82 million, equivalent to \$99.9 million.

European markets in 1973 continued to be the principal suppliers of funds to borrowers in the industrialized countries, though on a reduced scale. The total of borrowings by these countries was \$5,230 million, a decline of \$1,390 million from 1972. Included in the total were \$888 million of borrowings by European multilateral institutions. Corporate and public entities in the U.K. were the largest borrowers in Europe in 1973 with a total of \$1,240 million equivalent, a gain of more than 50% over 1972. Included were foreign issues amounting to \$325 million—the bulk of them having been sold in Switzerland—and \$915 million of international issues sold on the Eurobond market.

Borrowings during the year by U.S. corporations in Europe were down by \$937 million to \$1,171 million. Foreign issues—sold principally on the Swiss market—were up by more than 115% to \$453 million. But sales of issues on the Eurobond market by U.S. concerns declined by \$1,181 million to \$718 million. Other sizeable borrowers on the European markets included issuers in Canada (\$276 million), South Africa (\$171 million), Denmark and the Netherlands (\$160 million each), Sweden (\$145 million), Austria (\$177 million) and Belgium (\$114 million).

The developing countries borrowed \$403 million in Europe in 1973, a decline of \$222 million from the previous year. Two private enterprises in Hong Kong borrowed an aggregate of more than \$76 million in Europe. Issuers in Spain borrowed \$71 million, in Mexico \$61 million, and the Egyptian airline, Egyptair, \$53 million.

More than 90% of the aggregate of foreign obligations sold on the U.S. market during the

year were issued by Canadian and Israeli borrowers. Total foreign issues sold on the U.S. market in 1973 amounted to \$1,488 million, down \$87 million from 1972. Canadian issuers borrowed a total of \$925 million, a decrease of \$61 million. Of the Canadian borrowings, \$800 million was accounted for by provincial governments and power commissions and other government entities. Two agencies of the Government of Finland borrowed \$35 million in the United States last year. Borrowings by the developing countries aggregated \$528 million: \$468 million by Israel, \$43 million by issuers in Mexico, and \$17 million by Spain's Iberia Air Lines.

Foreign and international borrowings in Japan in 1973 increased by \$127 million to a total of \$1,260 million equivalent. Included were \$463 million of foreign currency issues privately placed: \$273 million by issuers in several industrialized countries; and \$190 million by issuers in ten developing countries—Algeria, Brazil, Colombia, Greece, Guinea, Jamaica, Nicaragua, Venezuela, Yugoslavia and Zaire.

Yen borrowings during the year aggregated ¥ 215,050 million, equivalent to \$797 million, and a gain of \$161 million over the previous year. Included were private placements and public offerings by Brazil, Mexico, Papua New Guinea and two U.S. corporations amounting to ¥ 47,050 million. The World Bank borrowed ¥ 165,000 million during the year, a record figure, equivalent to \$613 million. Included were a ¥ 135,000 million borrowing from The Bank of Japan; and a public offering and a private placement on the Japanese investment market aggregating ¥ 30,000 million. The Inter-American Development Bank borrowed ¥ 3,000 million.

The Asian Development Bank during the year sold two issues—one of \$20 million, placed internationally, and another of \$11 million, placed in Austria. The Inter-American Development Bank's borrowings totaled \$91 million equivalent: \$27 million through a public offering in Switzerland; \$11 million through a private placement in Japan; and about \$53 million through placement of a U.S. dollar issue internationally.

World Bank Issues—Calendar 1973

Twenty-two issues aggregating \$1,902 million equivalent were marketed by the World Bank in calendar 1973, with purchases by central banks and other governmental institutions accounting for more than 63% of the total. This compared with 24 issues aggregating \$1,925 million equivalent in 1972, of which central banks and governmental institutions purchased about 45%.

Issues during the year included seven public offerings totaling \$447 million: two each in Germany and Kuwait, and one each in Japan,

Sweden and Switzerland. Private placements with institutions other than central banks amounted to \$248 million equivalent. Placements with central banks, government agencies and international organizations aggregated the equivalent of \$1,207 million: \$32 million with the Republic of Austria, \$164 million with the Deutsche Bundesbank, \$500 million with The Bank of Japan, \$101 million with the Central Bank of Libya, and \$410 million in two U.S. dollar issues placed with central banks in some 65 countries and with an international organization.

Finances: IDA

New credits amounting to \$1,095 million were approved in fiscal 1974, which brought gross IDA commitments to \$6,858 million on June 30, 1974, excluding \$145 million of reactivated credits to Bangladesh and the \$485 million of exchange adjustments mentioned below. Effective credits held by IDA on that date amounted to \$6,729 million, including undisbursed portions of credits amounting to \$2,816 million. Credits approved but not effective as of June 30, 1974, amounted to \$520 million.

Disbursements of \$711 million for the year were at a record level and exceeded the previous year's total by \$218 million. Aggregate disbursements were \$3,926 million, including exchange adjustments of \$485 million arising from devaluations of the U.S. dollar in 1972 and 1973.

IDA's resources increased by the following amounts during the year: \$117 million representing Italy's contribution under the Third Replenishment; \$110 million as a grant from the World Bank's fiscal 1973 net income; \$57 million from releases by Part II members, earnings, repayments and cancellations of existing credits; and \$169 million consisting of advance contributions to the Fourth Replenishment received from Canada and Kuwait. On approving the \$110 million grant from the World Bank's fiscal 1973 net income, the *Governors* agreed that the equivalent of \$3.2 million⁽¹⁾ may be allocated by IDA for grants for agricultural research.

The resources available to the Association for commitment in the Third Replenishment period covering the fiscal years 1972-74 amounted to \$3,453 million.⁽²⁾ Under the Third Replenishment, a total of \$2,409 million in subscriptions and contributions was made available by 20 Part I and two Part II member countries. As a result of the devaluations of the U.S. dollar in 1972 and 1973, the Association

⁽¹⁾ Of this sum, a total of \$1.4 million had been granted and disbursed by June 30, 1974. Four additional grants aggregating \$975,000 were approved shortly after the end of the fiscal year. The remaining \$825,000 will become available for use in the general operations of IDA in fiscal 1975.

⁽²⁾ Excluding advance contributions under the Fourth Replenishment.

had available an additional \$622 million, reflecting increases in the U.S. dollar value of undisbursed First, Second and Third Replenishment contributions by member countries.

IDA's funds were also increased by a loan of SwF 130 million, equivalent to \$38 million, from the Swiss Confederation in connection with the Third Replenishment. The loan is interest-free and its repayment terms are the same as those of IDA credits.

In the fiscal years 1972-74, with the approval of the Board of Governors, the Bank made from its net income transfers to IDA of \$330 million. From this amount IDA had authority, under the Board's resolutions, to provide up to \$6 million in grants for agricultural research. By June 30, 1974, \$4.2 million of such grants had been disbursed.

Other funds that became available to IDA during the Third Replenishment period in-

cluded \$27 million from cancellations and repayments; \$19 million of net income; and \$14 million from the 10% portion of the initial subscriptions of new members, releases by some Part II members from the 90% portion of their initial subscriptions and additional subscriptions under the Third Replenishment.

The additional \$3,453 million available to the Association for the Third Replenishment period covering the fiscal years 1972-74 was committed as follows: \$1,000 million in fiscal 1972, \$1,357 million in fiscal 1973 and \$1,095 million in fiscal 1974. The resources available to the Association, including those provided by the Third Replenishment were, therefore, almost fully committed by June 30, 1974.

The history and status of the Fourth Replenishment is discussed in the introductory section of this Report entitled "Summary and Background of the Year's Activities."

Executive Directors

During the year, the Executive Directors met 53 times in formal session and five times for informal discussions. They reviewed and approved 105 Bank loans and 69 IDA credits to member countries and two Bank loans totaling \$110 million to IFC. They also approved IDA grants to various international agricultural research centers in Africa, Asia and Latin America; three Bank grants for technical assistance in development planning in Liberia, the Yemen Arab Republic and Zaire; and a Bank/IDA grant for the control of river blindness in Western Africa. The Executive Directors also endorsed the cooperative arrangements with Norway and the United Nations Industrial Development Organization.

The Executive Directors kept under review the situation concerning petroleum and other commodities, giving particular attention to the resulting additional external capital require-

ments of developing countries. They determined Bank Group policies on the promotion of domestic construction industries in developing countries, nutrition, agricultural credit, land reform, financing production of cocoa, fertilizers, non-fuel minerals and tea in view of the trends of world demand and supply of these commodities. They also discussed the Bank's role in the preparatory work for the World Food Conference to be held in Rome during November 1974.

In May 1974, a group of three Executive Directors visited Bangladesh, Burma, Indonesia, Malaysia and Thailand.

A list of all Executive Directors and Alternate Executive Directors, showing their voting power and the countries they represent, with notations of changes since the last regular election of Executive Directors, appears on the following page.

Executive Directors and Alternates of the Bank and IDA

June 30, 1974

Executive Director	Alternate	Casting votes of	Total Votes	
			Bank	IDA
Appointed				
Charles O. Sethness	Hal F. Reynolds	United States	64,980	210,927
Anthony K. Rawlinson	R. A. Browning	United Kingdom	26,250	71,857
Hans Janssen	Claus Knetschke	Germany (Federal Republic of)	13,903	49,874
Jacques-Henri Wahl	Jean-Claude H. Faure	France	13,042	38,284
Taro Hori	Hiroyuki Yasuda	Japan	10,480	30,541
Elected				
Claude M. Isbister (Canada)	D. R. Clarke (Jamaica)	Canada, Guyana, Ireland, Jamaica ⁽¹⁾	12,067	38,597
S. R. Sen (India)	M. Matiul Islam (Bangladesh)	Bangladesh, India, Sri Lanka	11,644	38,695
Giorgio Rota (Italy)	German Calvillo (Spain)	Italy, Portugal ⁽¹⁾ , Spain	11,581	29,912
M. M. Ahmad (Pakistan)	Mohamed Abdul Rahman Alsharekh (Kuwait)	Bahrain ⁽¹⁾ , Egypt (Arab Republic of), Iraq, Jordan, Kuwait, Lebanon, Oman, Pakistan, Qatar ⁽¹⁾ , Saudi Arabia, Syrian Arab Republic, United Arab Emirates ⁽¹⁾ , Yemen Arab Republic	10,412	29,048
Jacques de Groot (Belgium)	Vural Güçsavaş (Turkey)	Austria, Belgium, Luxembourg, Turkey	10,335	22,572
Choi Siew Hong (Malaysia)	Byong Hyun Shin (Korea)	Burma, Fiji, Indonesia, Khmer Republic, Korea, Laos, Malaysia, Nepal, Singapore ⁽¹⁾ , Thailand, Viet-Nam	10,269	33,979
Poul H. Kryger (Denmark)	Annikki Saarela (Finland)	Denmark, Finland, Iceland, Norway, Sweden	10,087	44,042
S. A. McLeod (New Zealand)	Edmund M. W. Visbord (Australia)	Australia, New Zealand ⁽¹⁾ , South Africa	9,929	16,856
Bulcha Demeksa (Ethiopia)	Ismael El Misbah Mekki (Sudan)	Botswana, Burundi, Equatorial Guinea, Ethiopia, The Gambia, Guinea, Kenya, Lesotho, Liberia, Malawi, Nigeria, Sierra Leone, Sudan, Swaziland, Tanzania, Trinidad and Tobago, Uganda, Zambia	9,651	40,220
A. Rinnooy Kan (Netherlands)	Branko Mijović (Yugoslavia)	Cyprus, Israel, Netherlands, Yugoslavia	9,431	25,691
Roberto Guarnieri (Venezuela)	Carlos Santistevan (Peru)	Costa Rica, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Peru, Venezuela ⁽¹⁾	8,338	15,646
Mohamed Nassim Kochman (Mauritania)	Andrianampy Ramaholi-Mihaso (Malagasy Republic)	Cameroon, Central African Republic, Chad, Congo (People's Republic of), Dahomey, Gabon, Ivory Coast, Malagasy Republic, Mali, Mauritania, Mauritius, Niger, Rwanda, Senegal, Somalia, Togo, Upper Volta, Zaire	8,208	29,160
Yahia Khelif (Algeria)	Kwaku Gyasi-Twum (Ghana)	Afghanistan, Algeria, Ghana, Greece, Iran, Libyan Arab Republic, Morocco, Tunisia, Yemen (People's Democratic Republic of)	8,181	30,626
Virgilio Barco (Colombia)	Placido L. Mapa, Jr. (Philippines)	Brazil, Colombia, Dominican Republic, Ecuador, Philippines	7,562	28,262
Roberto Gavaldá (Argentina)	Luis Barrios Tassano (Uruguay)	Argentina, Bolivia, Chile, Paraguay, Uruguay ⁽¹⁾	6,597	20,291

In addition to the Executive Directors and Alternates shown in the foregoing list, the following also served after June 30, 1973:

Director	End of period of service:	Alternate Director	End of period of service:
Fritz Stedtfeld (Germany)	August 22, 1973	M. A. Cranswick (Australia)	July 31, 1973
André van Campenhout (Belgium)	October 31, 1973	A. M. A. Muhith (Bangladesh)	October 15, 1973
Hans E. Kastoft (Denmark)	March 31, 1974	Masanari Sumi (Japan)	November 16, 1973
Jorge L. Tersoglio (Argentina)	April 5, 1974	Juan Moro (Spain)	November 20, 1973
Luis Ugueto (Venezuela)	June 15, 1974	Wolfgang H. Artopoeus (Germany)	February 28, 1974

Note: The Bahamas⁽¹⁾ (421 votes in Bank), China (7,750 votes in Bank and 22,503 votes in IDA), Romania⁽¹⁾ (1,871 votes in Bank), and Western Samoa (267 votes in Bank and 1,812 votes in IDA) did not participate in the 1972 Regular Election of Executive Directors. The Bahamas has designated Mr. Isbister and Romania has designated Mr. Rinnooy Kan to represent their interests in the Board of Executive Directors.

⁽¹⁾ Member of the Bank only.

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General Notes to Annex Tables

The tables of this Annex present data on selected economic indicators, world trade, the flow of financial resources, external public debt, and international capital markets. As in past Reports, most of the tables are organized along geographic lines. However, to highlight developments in the world economy discussed in the first part of this Report, several tables, particularly those where individual countries are not shown separately, give aggregations not only by geographic region but also by income group, as follows: oil exporters, higher-income countries, middle-income countries, and lower-income countries. The three income groups are defined as: higher income—over \$375 per capita, middle income—\$200 to \$375 per capita, and lower income—under \$200 per capita, based on estimated per-capita income in 1972. Each group maintains the same countries for all years shown in the tables, i.e. the composition does not change according to the per-capita income of individual countries in particular years.

The tables which are shown in two versions are given the designations "A" for regional grouping and "B" for income grouping (e.g., Table 1A and 1B). Footnotes to Tables 4A and 4B list the developing countries included in each of the geographic and income groups of Tables 4-10 on General Debt; footnotes to Tables 1A and 1B amplify these groups to show the additional countries covered by the selected economic indicators.

Three tables (13, 14 and 15) have been added to the Report to provide information on imports and exports by income group, export price and quantum indices, and production and trade of rice and grains.

The data on the flow of financial resources shown in Table 3 have been provided by the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD). The figures for 1973 are drawn from the first public statement concerning development assistance flows for all DAC member countries in that year; the figures are, therefore, subject to revision. Data for earlier years incorporate revisions of figures previously published for those years.

The principal source of data on external debt shown in Tables 4 through 10 is information received by the Bank from its member countries. These data are checked with and supplemented by information from several other sources, primarily reporting by creditor countries on their lending.

The 86 countries included in the tables are those whose reporting is sufficient for a reliable presentation of debt outstanding and future service payments. Six countries—Algeria, Burma, Fiji, The Gambia, Viet-Nam, and the People's Democratic Republic of Yemen—have been added to those listed in last year's Report, while data for Southern Rhodesia are no longer included. Not all of the 86 countries have been reporting for the full historical period, 1967-1972, covered by the tables. Where individual country reports are lacking for certain years, estimates have been made by Bank staff in order to present a consistent series of data.

For the purpose of these tables, external public debt is defined as debt repayable to external creditors in foreign currency, goods or services, with an original or extended maturity of more than one year, which is a direct obligation of, or has repayment guaranteed by, a public body in the borrowing country. Most military debts are not reported, although a few countries have included such obligations in their data.

Grants shown in Tables 8, 9 and 10 consist of grant and grant-like

(loans repayable in local currency) contributions. The grants included in these tables comprise: (1) contributions by countries which are members of DAC; (2) grants by multilateral agencies as compiled by OECD; (3) disbursements by the Inter-American Development Bank (IDB) on loans repayable in local currencies. Data for grants do not include grants from bilateral donors other than DAC countries. However, debt data include obligations to creditors of all nationalities. Grant element (Tables 5, 9 and 10) is the face value of loan commitments less the discounted present value of the future flow of repayments of principal and interest expressed as a percentage of face value. The discount rate used is 10%, the conventional rate used by OECD in assessing terms.

Except where otherwise noted, export data used in the computation of debt-service ratios in Table 6 include exports of goods and non-factor services. The debt-service figures used in the present table are those for actual debt service paid (as compiled from country reports) during the year. If a country did not pay the entire amount of contractual debt service due during a year, this may be reflected in a somewhat lower debt-service ratio than would have been the case if contractual debt service instead of actual service paid had been used in computing the ratio. Likewise, the prepayment of debt service may result in a higher debt-service ratio. Changes in the ratio also reflect fluctuations in the level of exports.

The debt-service ratio is recognized as an incomplete indicator of a country's debt position, and international comparisons of these ratios have only limited meaning. In assessing debt situations many other factors, both internal and external, must be considered. One of the most important, of course, is the fact that external public debt constitutes only a part of the total indebtedness of a number of countries, and thus considerably understates the seriousness of debt problems in some cases. Nevertheless, the debt-service ratio does give some indication of the importance of debt and debt service in a country's total situation, and rapid increases, without other compensating factors, can signal problems ahead.

The Bank continues to work in cooperation with its member countries toward the improvement of debt statistics. This effort results in many cases in a broadening of the coverage of the data for both current and past periods and, as noted above, in additions to the list of countries which can be included. Therefore, a comparison with debt tables in the 1973 Report will show changes in data given for past years. The current Report should be regarded as the more reliable. Users of Table 5 in the 1973 and 1974 reports should be particularly careful in making comparisons as apparent increases or decreases in debt outstanding are in many cases merely the result of improvements in knowledge.

DAC information on capital flows and data on debt outstanding and service payments for the years 1965-1970 were converted to US dollars at the rates in effect during those years. IMF par values were used wherever applicable. The rates used for 1971 and subsequent years are IMF par values (if valid), central exchange rates, or in the absence of these two, current market rates. For the years 1971, 1972 and 1973, capital flows and service payments were converted to US dollars at an average rate for the year. Projected debt service, starting with 1974, was converted at end-1973 rates. Debt outstanding was converted at the rate (IMF par value, central exchange rate or current market rate) in effect as of the date of the outstanding. However, debt repayable in multiple currencies, goods or services, and debt which has a provision for maintenance of value of the currency of repayment, are shown at their book values.

Selected Economic Indicators for Developing and Industrialized Countries—Regional Summary

Average annual real growth and shares in GNP, 1961-1965, 1966-1970, 1970, 1971, 1972, and 1973 (percentages)

Region	1961-65	1966-70	1970	1971	1972	1973(P)
Developing countries						
Real rate of growth:						
Total GDP	5.5	5.8	6.7	5.5	5.4	7.3
Agricultural production	2.6	3.1	2.0	3.5	-0.9	6.1
Manufacturing production	8.7	7.8	7.5	7.8	10.1	—
Population	2.4	2.5	2.5	2.3	2.5	2.4
GDP per capita	3.0	3.3	4.0	3.1	2.8	4.8
Gross investment	8.1	7.0	9.8	6.3	7.8	—
Share in GNP:						
Gross investment	18.8	19.3	19.9	20.1	20.6	—
Gross national saving	16.6	16.9	17.9	17.9	18.1	—
Africa						
Real rate of growth:						
Total GDP	5.0	5.2	8.3	3.5	5.6	4.7
Agricultural production	2.1	1.5	-0.8	5.1	1.9	-1.7
Manufacturing production	11.1	6.5	8.0	8.6	12.3	—
Population	2.5	2.7	2.6	2.5	2.7	2.6
GDP per capita	2.4	2.4	5.6	1.0	2.9	2.0
Gross investment	6.8	6.8	19.4	7.1	5.2	—
Share in GNP:						
Gross investment	17.1	18.6	19.8	21.1	22.0	—
Gross national saving	13.8	16.2	17.3	16.9	18.8	—
Southern Europe						
Real rate of growth:						
Total GDP	7.3	6.3	6.1	6.2	7.7	7.7
Agricultural production	2.8	3.7	0.1	8.7	0.6	-0.6
Manufacturing production	11.7	9.5	9.2	6.7	13.0	—
Population	1.5	1.4	1.4	1.6	1.5	1.5
GDP per capita	5.7	4.8	4.6	4.6	6.1	6.0
Gross investment	12.1	6.6	6.5	2.8	11.0	—
Share in GNP:						
Gross investment	25.1	24.9	25.2	23.8	24.3	—
Gross national saving	22.1	21.5	22.0	21.7	20.4	—
East Asia						
Real rate of growth:						
Total GDP	5.4	7.0	7.5	7.5	5.6	11.1
Agricultural production	3.4	3.3	3.4	4.3	1.4	9.1
Manufacturing production	8.8	13.1	9.7	12.9	12.9	16.5
Population	2.5	2.4	2.4	2.8	2.5	2.6
GDP per capita	2.9	4.5	4.9	4.7	3.2	8.5
Gross investment	11.2	13.5	9.5	6.8	-1.5	—
Share in GNP:						
Gross investment	15.4	19.3	20.6	21.2	20.7	—
Gross national saving	11.1	14.4	16.8	17.6	17.3	—
Middle East						
Real rate of growth:						
Total GDP	8.2	7.8	7.9	11.2	9.2	10.0
Agricultural production	6.1	1.5	-4.3	0.4	7.1	-0.5
Manufacturing production	11.0	10.1	9.5	14.4	12.2	—
Population	3.0	3.0	3.1	3.1	2.7	3.0
GDP per capita	5.0	4.6	4.6	7.9	6.3	6.8
Gross investment	9.7	9.4	7.3	20.5	13.0	—
Share in GNP:						
Gross investment	19.4	21.1	21.7	23.1	23.8	—
Gross national saving	19.8	21.5	20.9	26.2	24.9	—

Table 1A

Region	1961-65	1966-70	1970	1971	1972	1973(P)
South Asia						
Real rate of growth:						
Total GDP.....	3.8	4.4	4.8	1.0	-1.5	5.4
Agricultural production.....	1.0	4.1	4.1	1.1	-6.3	11.3
Manufacturing production.....	9.1	3.1	3.3	3.0	6.6	2.4
Population.....	2.3	2.4	2.5	2.4	2.6	2.2
GDP per capita.....	1.5	2.0	2.2	-1.4	-4.0	3.2
Gross investment.....	8.0	2.0	13.9	2.2	2.2	-
Share in GNP:						
Gross investment.....	16.4	14.4	15.2	16.0	16.0	-
Gross national saving.....	13.3	11.8	13.6	14.0	14.5	-
Western Hemisphere						
Real rate of growth:						
Total GDP.....	5.3	5.7	6.8	6.3	6.8	7.0
Agricultural production.....	4.1	2.7	2.0	3.2	1.2	4.6
Manufacturing production.....	6.3	7.1	7.0	7.8	9.0	8.6
Population.....	2.8	2.9	2.8	2.8	2.8	2.9
GDP per capita.....	2.4	2.8	3.8	3.3	3.8	4.0
Gross investment.....	5.4	7.0	7.9	6.4	11.1	-
Share in GNP:						
Gross investment.....	18.9	19.1	19.4	19.0	19.5	-
Gross national saving.....	18.0	17.5	18.0	16.6	17.1	-
Industrialized Countries						
Real rate of growth:						
Total GDP.....	5.2	4.6	2.7	3.3	5.2	6.2
Agricultural production.....	1.7	2.1	0.8	4.8	1.1	1.0
Manufacturing production.....	6.3	5.4	1.6	1.3	6.6	9.6
Population.....	1.2	1.0	1.1	0.9	0.9	0.9
GDP per capita.....	3.9	3.6	1.7	2.4	4.2	5.3
Gross investment.....	6.9	5.4	2.7	1.4	6.5	-
Share in GNP:						
Gross investment.....	21.6	22.2	22.8	22.4	22.3	-
Gross national saving.....	22.2	22.7	23.1	22.9	22.7	-

Note: All the countries listed below have been included for the estimates of the real rates of growth of GDP and population. For other indicators, some countries have been omitted due to lack of data.

Industrialized countries—Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany (Federal Republic of), Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, South Africa, Sweden, Switzerland, United Kingdom, United States.

Developing countries—Those listed in the note of Table 4A and those below:

Africa—Guinea, Libyan Arab Republic.

East Asia—Khmer Republic, Laos, Papua New Guinea.

Middle East—Kuwait, Lebanon, Saudi Arabia, Yemen Arab Republic.

South Asia—Nepal.

Western Hemisphere—Barbados, Haiti.

(P) Preliminary.

Source: World Bank.

Selected Economic Indicators for Developing and Industrialized Countries—by Income Group

Average annual real growth and shares in GNP, 1961-1965, 1966-1970, 1970, 1971, 1972, 1973 (percentages)

Region	1961-65	1966-70	1970	1971	1972	1973(P)
Developing countries						
Real rate of growth:						
Total GDP	5.5	5.8	6.7	5.5	5.4	7.3
Agricultural production	2.6	3.1	2.0	3.5	-0.9	6.1
Manufacturing production	8.7	7.8	7.5	7.8	10.1	—
Population	2.4	2.5	2.5	2.3	2.5	2.4
GDP per capita	3.0	3.3	4.0	3.1	2.8	4.8
Gross investment	8.1	7.0	9.8	6.3	7.8	—
Share in GNP:						
Gross investment	18.8	19.3	19.9	20.1	20.6	—
Gross national saving	16.6	16.9	17.9	17.9	18.1	—
Oil exporters						
Real rate of growth:						
Total GDP	6.1	7.0	9.7	6.7	7.5	10.4
Agricultural production	2.1	1.9	1.2	0.9	2.0	3.2
Manufacturing production	7.0	7.8	9.4	10.9	9.0	10.5
Population	2.4	2.5	2.4	3.0	2.8	3.0
GDP per capita	3.6	4.4	7.1	3.5	4.9	7.2
Gross investment	8.6	10.1	13.8	14.5	14.7	—
Share in GNP:						
Gross investment	17.2	20.8	22.0	23.4	24.6	—
Gross national saving	19.6	21.6	23.0	26.2	25.9	—
Higher-income countries						
Real rate of growth:						
Total GDP	6.1	6.1	6.9	6.6	7.5	7.1
Agricultural production	3.8	3.1	1.2	5.5	1.5	3.9
Manufacturing production	8.1	8.3	8.4	7.9	11.2	10.8
Population	2.4	2.4	2.4	2.4	2.4	2.4
GDP per capita	3.6	3.6	4.4	4.1	5.0	4.5
Gross investment	7.6	7.0	9.6	6.0	10.5	—
Share in GNP:						
Gross investment	21.3	20.9	21.3	20.9	21.5	—
Gross national saving	19.0	18.6	19.0	18.2	18.3	—
Middle-income countries						
Real rate of growth:						
Total GDP	5.7	5.7	5.8	6.6	4.8	7.7
Agricultural production	3.9	2.5	0.8	6.5	1.8	4.7
Manufacturing production	11.7	9.6	5.7	10.1	8.9	—
Population	2.7	2.7	2.7	2.5	2.5	2.6
GDP per capita	2.9	2.9	3.0	4.1	2.3	5.0
Gross investment	10.3	9.5	2.1	2.4	-3.8	—
Share in GNP:						
Gross investment	16.4	19.2	19.6	19.1	18.1	—
Gross national saving	11.5	14.2	14.8	13.9	13.5	—
Lower-income countries						
Real rate of growth:						
Total GDP	3.7	4.4	4.7	1.4	-0.7	5.1
Agricultural production	1.2	3.9	3.5	1.2	-5.2	9.5
Manufacturing production	9.1	3.4	3.3	3.3	6.5	—
Population	2.3	2.4	2.6	2.5	2.6	2.3
GDP per capita	1.4	1.9	2.1	-1.1	-3.2	2.9
Gross investment	7.6	2.7	13.8	3.1	1.9	—
Share in GNP:						
Gross investment	16.0	14.7	15.7	16.5	16.6	—
Gross national saving	12.9	12.0	13.7	14.0	14.6	—

Table 1B

Region	1961-65	1966-70	1970	1971	1972	1973(P)
Industrialized countries						
Real rate of growth:						
Total GDP.....	5.2	4.6	2.7	3.3	5.2	6.2
Agricultural production.....	1.7	2.1	0.8	4.8	1.1	1.0
Manufacturing production.....	6.3	5.4	1.6	1.3	6.6	9.6
Population.....	1.2	1.0	1.1	0.9	0.9	0.9
GDP per capita.....	3.9	3.6	1.7	2.4	4.2	5.3
Gross investment.....	6.9	5.4	2.7	1.4	6.5	—
Share in GNP:						
Gross investment.....	21.6	22.2	22.8	22.4	22.3	—
Gross national saving.....	22.2	22.7	23.1	22.9	22.7	—

Note: All the countries listed below have been included for the estimates of the real rates of growth of GDP and population. For other indicators, some countries have been omitted due to lack of data.

Industrialized countries—Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany (Federal Republic of), Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, South Africa, Sweden, Switzerland, United Kingdom, United States.

Developing countries—Those listed in the Note of Table 4B and those below:

Oil exporters—Kuwait, Libyan Arab Republic, Saudi Arabia.

Middle income—Papua New Guinea.

Lower income—Guinea, Haiti, Khmer Republic, Laos, Nepal, Yemen Arab Republic.

(P) Preliminary.

Source: World Bank.

World Exports by Origin and Destination, 1962-1973

Table 2

Exports from	Exports to (percentages)												
	World Total			Developed market economies		Developing market economies					Centrally planned economies		
	US\$ millions	Percentage	Annual growth rate	Total	Annual growth rate	Total	Annual growth rate	Western Hemisphere	Africa	Middle East	Other Asia	Total	Annual growth rate
World⁽¹⁾													
1962-67 annual average.....	178,568	100.0	8.6	67.7	9.6	20.5	6.5	5.2	4.2	2.6	7.1	11.3	7.2
1968.....	239,140	100.0	11.6	69.4	12.5	19.6	10.9	5.1	3.7	2.7	6.5	10.6	8.3
1969.....	271,460	100.0	13.5	70.5	15.3	18.9	9.5	6.0	3.6	2.5	6.2	10.2	9.2
1970.....	311,390	100.0	14.7	70.8	15.3	18.4	11.9	6.0	3.8	2.2	6.0	10.2	14.5
1971.....	346,690	100.0	11.8	70.9	11.5	18.1	9.8	5.7	4.0	2.4	5.6	10.1	10.7
1972.....	411,740	100.0	18.8	71.5	19.9	17.8	16.9	5.5	3.6	2.5	5.6	9.9	17.1
1973 (P).....	564,980	100.0	38.1	71.4	36.9	18.0	38.6	5.2	3.6	2.6	6.1	10.1	38.9
1968-73 annual average.....	357,567	100.0	18.8	70.9	19.4	18.3	16.9	5.5	3.8	2.5	6.0	10.1	17.5
Developed market economies^{(2) (3) (4)}													
1962-67 annual average.....	122,451	100.0	9.5	74.4	10.1	21.4	6.4	5.2	4.7	2.5	6.9	3.9	13.1
1968.....	167,670	100.0	12.3	75.7	13.1	20.1	11.3	5.1	3.7	2.6	6.5	3.9	3.8
1969.....	193,400	100.0	15.3	76.8	17.1	19.1	9.9	6.0	3.6	2.5	6.3	3.6	8.6
1970.....	224,210	100.0	15.9	76.9	16.0	18.7	13.2	6.0	3.8	2.3	6.0	3.7	18.2
1971.....	250,720	100.0	11.8	76.9	11.9	18.8	12.5	5.9	4.2	2.4	7.1	3.6	7.1
1972.....	297,660	100.0	18.7	77.5	19.5	17.9	13.4	5.8	3.9	2.6	5.4	4.0	32.5
1973.....	406,460	100.0	36.9	76.9	35.5	18.2	38.4	5.5	4.0	2.8	5.8	4.5	53.7
1968-73 annual average.....	256,676	100.0	19.4	76.8	19.7	18.6	17.0	5.9	3.9	2.5	5.9	3.9	22.8
Developing market economies^{(2) (5) (7)}													
1962-67 annual average.....	35,076	100.0	6.6	72.2	7.2	20.1	5.0	3.7	3.2	2.5	8.3	5.7	6.7
1968.....	44,490	100.0	11.0	73.8	11.7	20.3	11.3	4.1	2.9	2.6	7.8	5.0	3.7
1969.....	49,320	100.0	10.8	72.5	9.0	19.4	5.7	6.6	3.9	2.5	7.5	5.3	17.0
1970.....	53,130	100.0	7.7	74.0	10.0	18.4	2.3	6.7	2.9	2.4	7.3	6.3	28.6
1971.....	60,050	100.0	13.0	73.6	12.3	20.0	15.6	6.7	3.1	2.4	7.7	4.2	-24.3
1972.....	71,510	100.0	19.2	75.3	22.0	19.5	15.6	6.4	2.6	2.4	8.0	4.3	19.6
1973.....	101,020	100.0	41.2	75.2	40.9	19.4	40.5	5.7	2.7	2.3	8.6	4.5	49.5
1968-73 annual average.....	63,126	100.0	17.9	74.2	18.3	19.4	16.7	6.1	3.0	2.5	7.9	4.7	15.3
Western Hemisphere													
1962-67 annual average.....	10,653	100.0	5.0	74.4	4.4	18.5	7.6	9.2	0.8	0.4	0.6	8.5	5.3
1968.....	12,430	100.0	6.2	72.6	4.4	21.1	15.4	11.6	0.6	0.6	0.8	6.0	-6.2
1969.....	15,450	100.0	24.3	74.7	27.8	20.1	18.7	18.2	0.6	0.2	1.0	4.8	-1.3
1970.....	17,590	100.0	13.8	72.7	10.8	19.3	9.3	17.4	0.7	0.2	0.6	6.3	50.0
1971.....	16,640	100.0	-5.4	76.5	0.0	20.4	0.0	18.6	0.7	0.3	0.9	2.1	-68.9
1972.....	19,210	100.0	15.4	75.4	13.8	20.3	14.7	18.1	0.7	0.5	1.0	3.0	71.0
1973.....	24,880	100.0	29.5	74.2	27.3	20.6	31.3	17.4	0.8	0.6	1.8	4.0	69.5
1968-73 annual average.....	17,700	100.0	15.1	74.3	15.4	20.2	14.4	17.2	0.7	0.3	1.2	3.9	20.2

Africa⁽⁷⁾													
1962-67 annual average	7,245	100.0	8.4	82.0	8.0	11.7	7.3	0.6	6.9	1.6	2.4	6.4	12.0
1968	9,820	100.0	16.6	81.3	18.2	10.7	11.7	0.6	6.0	1.4	2.2	6.1	13.2
1969	10,980	100.0	11.8	83.0	14.2	9.7	1.9	1.4	5.1	1.1	1.9	6.7	23.3
1970	12,310	100.0	12.1	81.7	10.4	10.1	15.9	1.9	5.3	0.9	2.0	7.2	20.3
1971	12,710	100.0	3.2	77.4	-2.2	12.5	28.2	3.4	5.9	1.1	2.1	7.9	12.4
1972	14,740	100.0	18.8	78.9	18.4	11.5	6.9	3.4	5.0	1.0	2.1	7.9	17.0
1973	20,390	100.0	38.3	77.3	35.3	12.5	50.0	3.4	5.6	1.0	2.4	8.6	50.4
1968-73 annual average	13,492	100.0	15.7	79.5	14.6	11.9	19.4	2.5	5.5	1.1	2.1	7.6	24.0
Middle East													
1962-67 annual average	6,295	100.0	9.8	74.3	11.7	20.5	9.6	1.5	4.5	7.8	6.7	2.2	7.1
1968	8,770	100.0	11.6	77.2	10.8	19.5	14.8	1.6	3.4	6.9	6.7	1.8	3.2
1969	9,210	100.0	5.0	76.5	4.1	18.2	-1.7	1.5	3.4	7.9	5.4	2.8	62.5
1970	10,240	100.0	11.2	76.2	10.6	19.2	17.3	1.8	3.3	7.6	6.3	2.4	-3.8
1971	14,060	100.0	37.3	75.3	35.8	17.6	25.9	2.0	3.5	6.3	5.8	2.3	18.0
1972	16,980	100.0	20.8	81.3	30.3	16.1	10.1	1.8	2.7	5.8	5.6	2.0	18.0
1973	24,420	100.0	43.8	82.3	45.6	15.2	35.9	1.6	2.6	5.3	5.6	1.9	36.5
1968-73 annual average	13,946	100.0	22.7	79.1	24.3	17.1	16.8	1.8	3.0	6.2	5.9	1.8	24.3
Other Asia													
1962-67 annual average	9,161	100.0	5.4	58.4	7.0	32.3	3.0	1.3	3.0	2.5	24.9	7.2	4.7
1968	11,200	100.0	12.0	63.7	16.1	29.7	6.7	0.9	2.8	2.9	22.6	6.5	7.3
1969	12,300	100.0	9.8	62.7	8.0	30.1	11.1	1.3	3.0	2.7	22.8	7.1	20.5
1970	13,690	100.0	11.3	64.6	14.6	29.1	7.6	1.2	3.4	2.6	21.5	6.3	-1.1
1971	16,120	100.0	17.8	65.2	18.9	28.3	14.8	1.2	3.2	2.4	21.2	5.6	3.4
1972	19,940	100.0	23.7	67.0	27.1	28.1	22.5	1.3	2.8	2.4	21.2	4.7	4.4
1973	30,390	100.0	52.4	68.2	55.1	26.4	45.7	1.1	2.7	2.0	21.0	4.3	40.4
1968-73 annual average	17,273	100.0	22.1	65.9	23.7	28.3	19.6	1.2	2.8	2.4	21.5	5.4	12.6
Centrally planned economies^{(3) (6)}													
1962-67 annual average	21,043	100.0	7.4	21.3	13.6	14.8	8.1	3.6	3.1	1.4	5.5	63.3	5.2
1968	26,980	100.0	8.4	23.0	5.1	15.0	7.1	3.5	2.8	2.0	4.4	61.7	10.7
1969	29,740	100.0	10.2	23.3	11.2	15.6	14.3	3.4	2.9	2.9	4.4	60.7	8.5
1970	34,320	100.0	15.4	25.5	26.3	16.3	21.0	3.1	3.5	2.8	3.8	58.0	10.3
1971	35,920	100.0	18.5	24.2	-0.5	14.8	-5.2	3.0	3.3	2.7	3.8	60.8	9.6
1972	42,570	100.0	35.9	24.0	17.5	14.2	13.9	2.6	3.1	2.4	3.5	61.4	19.7
1973 (P)	57,500	100.0	28.0	25.9	45.7	14.1	34.5	2.4	2.7	2.6	4.0	59.5	30.8
1968-73 annual average	37,838	100.0	16.4	24.5	19.1	14.9	14.9	2.9	3.0	2.6	3.8	60.2	14.9

General Note: Data in this table are not strictly comparable with exports data of Table 13 mainly due to frequent revisions of the data in the latter table. Furthermore, certain adjustments made for total exports in Table 13 are not reflected in this table, as it is not possible to distribute such adjustment by direction.

- (1) The figures for total exports include certain exports which, because their regions of destination could not be determined, are not included elsewhere in the table.
(2) This classification is intended for statistical convenience and does not necessarily express a judgment about the stage reached by a particular country in the development process.
(3) Excludes transactions between Federal Republic of Germany and Democratic Republic of Germany.
(4) Includes Israel, excludes Turkey.
(5) Includes Turkey, excludes Israel.
(6) Includes exports of USSR, not shown by destination.
(7) Excludes exports of Southern Rhodesia.
(P) Preliminary.
Source: United Nations.

The Flow of Financial Resources from DAC Countries⁽¹⁾ to Developing Countries and Multilateral Institutions, 1965-1973

Table 3

(Amounts in US \$'000 millions)

	1965	1966	1967	1968	1969	1970	1971	1972	1973(P)
Net disbursements									
Total, official and private ⁽²⁾	10.32	10.39	11.44	13.51	13.78	14.93	17.25	18.82	22.80
Total official	6.20	6.43	7.06	7.05	7.19	7.98	9.03	10.25	11.93
Official Development Assistance ⁽³⁾	5.90	5.98	6.54	6.31	6.62	6.83	7.76	8.67	9.42
Grants ⁽⁴⁾	3.71	3.70	3.58	3.34	3.25	3.32	3.63	4.37	4.48
Multilateral contributions	0.35	0.34	0.74	0.68	1.05	1.12	1.34	1.90	2.25
Bilateral loans	1.83	1.95	2.23	2.28	2.32	2.38	2.79	2.40	2.68
Other Official Flows ⁽⁵⁾	0.30	0.45	0.52	0.74	0.57	1.15	1.27	1.58	2.52
Total private	4.12	3.96	4.38	6.46	6.59	6.95	8.22	8.58	10.87
Direct investment	2.47	2.18	2.11	3.15	2.92	3.56	3.87	4.41	5.87
Bilateral portfolio investment	0.66	0.48	0.80	0.95	1.20	0.73	0.76	2.07	3.17
Multilateral portfolio investment	0.25	0.18	0.47	0.77	0.42	0.47	0.77	0.67	0.26
Private export credits	0.75	1.12	1.01	1.60	2.05	2.19	2.81	1.43	1.58
Volume indicators (net disbursements)									
Total flow as share of GNP (%) ⁽²⁾	0.77	0.71	0.73	0.79	0.74	0.73	0.76	0.73	0.73
Official Development Assistance as share of GNP (%)	0.44	0.41	0.42	0.37	0.36	0.34	0.35	0.34	0.30
Private and Other Official Flows as share of GNP (%) ⁽²⁾	0.33	0.30	0.31	0.42	0.38	0.39	0.41	0.39	0.43
Terms indicators									
Grants as share of ODA net disbursements ⁽⁶⁾	68.7	67.3	65.8	63.8	64.9	65.0	63.9	73.0	71.5
Weighted average maturity of ODA loans (years) ⁽⁷⁾					28.4	30.2	29.1	29.5	31.5
Weighted average grace period of ODA loans (years) ⁽⁷⁾					6.7	7.3	7.0	7.8	7.6
Weighted average interest rate of ODA loans (%)					3.0	2.8	2.8	2.7	2.4
Grant element of total ODA commitments (%) ⁽⁸⁾					84.4	84.1	82.6	84.1	86.7

Note: Items may not add to totals due to rounding. All data at current prices and exchange rates.

⁽¹⁾ Australia, Austria, Belgium, Canada, Denmark, France, Germany (Federal Republic of), Italy, Japan, Netherlands, New Zealand (which joined DAC in 1973), Norway, Portugal, Sweden, Switzerland, United Kingdom, and United States.

⁽²⁾ Excluding grants by private voluntary agencies. From all DAC countries, these totaled an estimated \$858 million in 1970, \$913 million in 1971, \$1,033 million in 1972, and \$1,348 million in 1973. In each year, these figures represented about 0.04% of GNP.

⁽³⁾ Official Development Assistance (ODA) is defined as all flows to less developed countries and multilateral institutions provided by official agencies, including state and local governments, or by their executive agencies which meet the following tests:

- (a) They are administered with the promotion of the economic development and welfare of developing countries as their main objective.
- (b) Their financial terms are intended to be concessional in character.

⁽⁴⁾ Including "grant-like" flows denominated in recipients' currencies.

⁽⁵⁾ "Other Official Flows" include, in particular:

- (a) Official bilateral transactions which are not concessional or which, even though they have concessional elements, are primarily export facilitating in purpose.
- (b) The net acquisition by governments and central monetary institutions of securities issued by multilateral development banks at market terms. Rediscouping of trade instruments by central monetary authorities is not included.

⁽⁶⁾ Including multilateral contributions.

⁽⁷⁾ Commitments.

⁽⁸⁾ Discounted at 10%.

(P) Preliminary.

Source: OECD.

**86 Developing Countries—External Public Debt
Outstanding, by Region, 1965-1972**

Table 4A

(US\$ millions)

	Africa	East Asia ⁽¹⁾	Middle East ⁽²⁾	South Asia	Southern Europe ⁽³⁾	Western Hemisphere	Total
Total debt outstanding end of year							
1965	7,686.4	3,967.6	2,357.1	9,115.4	4,033.3	10,906.9	38,066.8
1966	8,527.8	4,447.2	2,989.8	10,865.2	4,284.0	12,261.6	43,375.7
1967	9,191.7	5,301.6	3,917.3	11,697.2	5,114.6	15,120.2	50,342.6
1968	10,123.8	6,373.3	4,723.4	13,096.6	5,676.0	16,889.5	56,882.6
1969	11,035.3	7,832.9	5,487.5	14,093.0	6,418.3	18,601.3	63,468.4
1970	12,798.0	9,302.1	7,503.9	15,336.4	7,087.4	20,850.6	72,878.4
1971	14,631.5	11,361.0	9,242.7	16,941.9	8,548.2	24,418.0	85,143.2
1972	16,247.6	13,823.8	11,035.9	18,384.2	10,308.5	29,575.7	99,375.8
Debt outstanding by type of creditor							
December 31, 1967							
Bilateral Official	5,815.6	2,839.1	1,832.2	8,462.2	3,080.2	5,800.6	27,830.0
Multilateral	1,060.3	711.0	329.4	2,301.8	909.6	3,387.7	8,699.7
Private							
Suppliers	1,434.9	1,285.3	479.1	793.3	631.2	2,566.2	7,190.0
Banks	294.0	116.5	555.6	122.9	212.9	1,348.3	2,650.2
Other	587.0	349.7	721.1	16.9	280.7	2,017.4	3,972.8
Total	9,191.7	5,301.6	3,917.3	11,697.2	5,114.6	15,120.2	50,342.6
December 31, 1968							
Bilateral Official	6,309.9	3,443.6	2,355.2	9,513.1	3,182.6	6,271.2	31,075.6
Multilateral	1,231.3	825.6	344.6	2,485.2	1,040.9	3,934.8	9,862.4
Private							
Suppliers	1,607.3	1,625.6	618.4	927.4	591.0	2,962.2	8,331.9
Banks	384.4	147.9	586.7	157.5	449.4	1,613.0	3,338.9
Other	590.9	330.7	818.5	13.3	412.1	2,108.4	4,274.0
Total	10,123.8	6,373.3	4,723.4	13,096.6	5,676.0	16,889.5	56,882.6
December 31, 1969							
Bilateral Official	6,672.4	4,103.4	2,451.1	10,189.6	3,579.0	6,596.1	33,591.6
Multilateral	1,609.9	1,179.9	397.2	2,734.7	1,170.4	4,362.0	11,454.2
Private							
Suppliers	1,719.8	1,873.4	932.6	1,010.5	593.4	3,241.0	9,370.8
Banks	459.2	268.1	798.0	147.9	649.7	2,023.3	4,346.2
Other	574.1	408.1	908.6	10.2	425.8	2,378.7	4,705.6
Total	11,035.3	7,832.9	5,487.5	14,093.0	6,418.3	18,601.3	63,468.4
December 31, 1970							
Bilateral Official	7,366.0	4,959.8	3,580.1	11,268.9	3,815.7	6,667.5	37,658.0
Multilateral	1,963.9	1,653.8	636.6	3,027.7	1,385.5	5,104.4	13,772.0
Private							
Suppliers	2,104.9	1,768.8	1,247.3	865.3	600.4	4,000.8	10,587.5
Banks	473.0	503.7	911.9	164.6	845.0	2,330.5	5,228.7
Other	890.2	416.0	1,128.1	9.8	440.8	2,747.5	5,632.3
Total	12,798.0	9,302.1	7,503.9	15,336.4	7,087.4	20,850.6	72,878.4
December 31, 1971							
Bilateral Official	8,237.4	6,142.2	4,760.3	12,247.9	4,255.0	7,070.3	42,713.1
Multilateral	2,324.5	2,179.1	747.2	3,431.5	1,705.8	6,084.6	16,472.7
Private							
Suppliers	2,388.8	2,021.8	1,319.4	1,082.8	613.2	4,484.1	11,910.2
Banks	747.6	594.6	1,040.0	169.8	1,395.8	3,639.4	7,587.1
Other	933.2	423.3	1,375.7	9.8	578.4	3,139.6	6,460.1
Total	14,631.5	11,361.0	9,242.7	16,941.9	8,548.2	24,418.0	85,143.2
December 31, 1972							
Bilateral Official	8,661.7	7,558.0	6,399.6	13,098.5	5,179.1	8,197.9	49,094.7
Multilateral	2,965.8	2,724.7	842.1	3,998.6	1,917.9	7,314.0	19,762.9
Private							
Suppliers	2,524.9	1,954.5	1,216.4	1,124.6	758.2	4,607.8	12,186.4
Banks	1,162.7	979.0	1,033.4	154.5	1,735.4	5,888.1	10,953.1
Other	932.7	607.6	1,544.4	8.1	718.0	3,567.9	7,378.7
Total	16,247.6	13,823.8	11,035.9	18,384.2	10,308.5	29,575.7	99,375.8

Note: Items may not add to totals due to rounding. Includes the countries listed below:

Africa—Algeria, Botswana, Burundi, Cameroon, Central African Republic, Chad, Congo (People's Republic of), Dahomey, Egypt (Arab Republic of), Ethiopia, Gabon, Gambia (The), Ghana, Ivory Coast, Kenya, Lesotho, Liberia, Malagasy Republic, Malawi, Mali, Mauritania, Mauritius, Morocco, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Upper Volta, Zaire, Zambia, plus East African Community.

East Asia—China (Republic of), Fiji, Indonesia, Korea (Republic of), Malaysia, Philippines, Singapore, Thailand, Viet-Nam.

Middle East—Iran, Iraq, Israel, Jordan, Syrian Arab Republic, Yemen (People's Democratic Republic of).

South Asia—Afghanistan, Bangladesh, Burma, India, Pakistan, Sri Lanka.

Southern Europe—Cyprus, Greece, Malta, Spain, Turkey, Yugoslavia.

Western Hemisphere—Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay, Venezuela.

⁽¹⁾ Does not include publicly guaranteed private debt of the Philippines estimated at \$396 millions in 1972.

⁽²⁾ Does not include the undisbursed portion of the debt of Israel for the years 1965-1970.

⁽³⁾ Does not include the nonguaranteed debt of the "social sector" of Yugoslavia contracted after March 31, 1966.

Source: World Bank.

86 Developing Countries—External Public Debt Outstanding, by Income Group, 1965-1972

Table 4B

(US\$ millions)

	Oil exporters	Higher-income countries ⁽¹⁾	Middle-income countries ⁽²⁾	Lower-income countries	Total
Total debt outstanding end of year					
1965	5,926.6	14,586.6	6,444.3	11,109.3	38,066.8
1966	6,458.5	16,157.4	7,636.8	13,123.0	43,375.7
1967	7,326.0	20,138.6	8,681.0	14,197.0	50,342.6
1968	8,448.5	22,660.5	9,834.5	15,939.1	56,882.6
1969	10,010.2	25,005.5	11,232.8	17,220.0	63,468.4
1970	12,083.6	29,009.1	12,613.7	19,171.9	72,878.4
1971	14,989.6	34,466.4	14,543.0	21,144.3	85,143.2
1972	17,666.6	41,932.5	16,708.4	23,068.3	99,375.8
Debt outstanding by type of creditor					
December 31, 1967					
Bilateral official	4,437.8	8,114.1	5,353.7	9,924.3	27,830.0
Multilateral	939.9	3,927.0	1,138.8	2,694.0	8,699.7
Private					
Suppliers	1,295.1	3,162.2	1,761.8	970.9	7,190.0
Banks	380.4	1,866.9	202.2	200.7	2,650.2
Other	272.7	3,068.4	224.5	407.1	3,972.8
Total	7,326.0	20,138.6	8,681.0	14,197.0	50,342.6
December 31, 1968					
Bilateral official	5,159.2	8,865.1	5,932.1	11,119.1	31,075.6
Multilateral	977.1	4,645.4	1,238.7	3,001.2	9,862.4
Private					
Suppliers	1,570.4	3,512.5	2,089.7	1,159.3	8,331.9
Banks	436.1	2,321.1	304.5	277.2	3,338.9
Other	305.7	3,316.5	269.5	382.2	4,274.0
Total	8,448.5	22,660.5	9,834.5	15,939.1	56,882.6
December 31, 1969					
Bilateral official	5,774.9	9,350.5	6,541.7	11,924.5	33,591.6
Multilateral	1,157.7	5,190.5	1,698.8	3,407.2	11,454.2
Private					
Suppliers	2,051.6	3,851.8	2,245.1	1,222.4	9,370.8
Banks	738.8	2,910.8	402.2	294.4	4,346.2
Other	287.2	3,702.0	344.9	371.4	4,705.6
Total	10,010.2	25,005.5	11,232.8	17,220.0	63,468.4
December 31, 1970					
Bilateral official	6,912.1	10,268.7	7,163.2	13,313.9	37,658.0
Multilateral	1,479.2	6,302.5	2,100.9	3,889.4	13,772.0
Private					
Suppliers	2,458.2	4,717.9	2,154.2	1,257.2	10,587.5
Banks	947.6	3,265.9	664.2	351.0	5,228.7
Other	286.5	4,454.1	531.2	360.4	5,632.3
Total	12,083.6	29,009.1	12,613.7	19,171.9	72,878.4
December 31, 1971					
Bilateral official	8,337.3	11,505.0	8,287.7	14,583.0	42,713.1
Multilateral	1,803.4	7,659.2	2,597.4	4,412.7	16,472.7
Private					
Suppliers	3,036.0	5,081.8	2,270.9	1,521.5	11,910.2
Banks	1,383.2	5,079.1	720.3	404.5	7,587.1
Other	429.7	5,141.3	666.7	222.5	6,460.1
Total	14,989.6	34,466.4	14,543.0	21,144.3	85,143.2
December 31, 1972					
Bilateral official	9,888.9	14,157.7	9,506.4	15,541.8	49,094.7
Multilateral	2,127.6	9,104.6	3,282.2	5,248.5	19,762.9
Private					
Suppliers	3,085.2	5,253.6	2,291.2	1,556.3	12,186.4
Banks	1,996.6	7,557.7	888.4	510.4	10,953.1
Other	568.3	5,858.9	740.2	211.3	7,378.7
Total	17,666.6	41,932.5	16,708.4	23,068.3	99,375.8

Note: Items may not add to totals due to rounding. Includes the countries listed below:

Oil exporters—Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Nigeria, Venezuela.

Higher-income countries—Argentina, Botswana, Brazil, Chile, China (Republic of), Colombia, Costa Rica, Cyprus, Dominican Republic, Fiji, Greece, Guatemala, Guyana, Israel, Jamaica, Malaysia, Malta, Mexico, Nicaragua, Panama, Peru, Singapore, Spain, Trinidad and Tobago, Tunisia, Uruguay, Yugoslavia, Zambia.

Middle-income countries—Bolivia, Cameroon, Congo (People's Republic of), Egypt (Arab Republic of), El Salvador, Ghana, Honduras, Ivory Coast, Jordan, Korea (Republic of), Liberia, Mauritius, Morocco, Paraguay, Philippines, Senegal, Swaziland, Syrian Arab Republic, Thailand, Turkey, Viet-Nam.

Lower-income countries—Afghanistan, Bangladesh, Burma, Burundi, Central African Republic, Chad, Dahomey, Ethiopia, Gambia (The), India, Kenya, Lesotho, Malagasy Republic, Malawi, Mali, Mauritania, Niger, Pakistan, Rwanda, Sierra Leone, Somalia, Sri Lanka, Sudan, Tanzania, Togo, Uganda, Upper Volta, Yemen (People's Democratic Republic of), Zaire, plus East African Community.

See General Notes for explanation of country grouping.

⁽¹⁾ Does not include the undisbursed portion of the debt of Israel for the years 1965-1970, and the nonguaranteed debt of the "social sector" of Yugoslavia contracted after March 31, 1966.

⁽²⁾ Does not include publicly guaranteed private debt of the Philippines estimated at \$396 million in 1972.

Source: World Bank.

**External Public Debt Outstanding of 86 Developing Countries,
by Country and Type of Creditor, December 31, 1972**

Table 5

(US\$ millions)

Area Country	Disbursed only	Including undisbursed					
		Total	Bilateral official	Multi- lateral	Suppliers	Banks	Other
Africa—Total	10,900.5	16,247.6	8,661.7	2,965.8	2,524.9	1,162.7	932.7
Algeria.....	1,625.0	2,827.0	1,227.8	16.9	1,152.2	368.0	62.1
Botswana.....	46.3	78.3	30.4	44.3	0.4	—	3.2
Burundi.....	6.9	8.1	1.6	5.3	1.0	—	0.2
Cameroon.....	217.1	301.5	132.6	106.7	43.7	18.1	0.4
Central African Republic.....	33.7	61.8	33.8	12.7	9.1	2.5	3.7
Chad.....	18.3	27.2	11.1	11.8	3.5	—	0.8
Congo, People's Republic of.....	160.8	318.0	148.2	47.7	116.2	—	5.9
Dahomey.....	44.6	90.7	48.2	18.1	10.8	13.4	0.2
East African Community.....	165.4	263.6	30.2	175.7	—	(1)	57.6
Egypt, Arab Republic of.....	1,571.1	2,040.9	1,622.4	67.2	105.9	44.9	200.4
Ethiopia.....	227.2	359.8	151.3	170.0	3.6	34.9	—
Gabon.....	190.7	202.8	46.3	31.9	82.7	34.6	7.4
Gambia, The.....	10.8	14.6	11.2	3.4	—	—	—
Ghana.....	572.0	624.7	333.6	78.3	212.8	—	—
Ivory Coast.....	402.4	699.8	259.0	133.7	140.6	96.5	70.0
Kenya.....	353.4	510.3	245.5	187.4	13.3	23.2	40.9
Lesotho.....	8.3	8.3	2.8	4.5	—	0.6	0.5
Liberia.....	153.7	179.4	123.9	30.8	17.1	6.2	1.4
Malagasy Republic.....	89.5	140.7	61.9	58.6	10.5	6.2	3.5
Malawi.....	172.7	231.2	151.8	52.2	8.0	1.2	17.9
Mali.....	262.0	324.0	282.2	29.0	12.1	0.7	—
Mauritania.....	36.4	82.3	63.3	17.6	1.4	—	(1)
Mauritius.....	29.6	90.0	73.3	13.8	—	—	3.0
Morocco.....	852.1	1,112.4	678.7	282.7	49.3	63.9	37.9
Niger.....	48.4	70.2	47.8	16.0	6.4	—	(1)
Nigeria.....	609.0	1,035.2	483.3	467.0	57.2	23.4	4.3
Rwanda.....	3.0	14.2	1.7	12.3	0.1	—	—
Senegal.....	112.9	191.0	85.4	60.1	18.7	—	26.8
Sierra Leone.....	80.1	100.5	44.7	22.9	27.3	—	5.6
Somalia.....	106.7	231.8	200.7	25.3	—	—	5.9
Sudan.....	297.6	382.1	190.7	137.6	9.1	44.7	0.2
Swaziland.....	33.1	36.6	17.3	8.5	6.6	4.2	—
Tanzania.....	310.9	645.9	464.7	126.9	0.3	21.2	32.8
Togo.....	42.4	46.0	34.7	5.4	5.4	0.5	(1)
Tunisia.....	697.7	1,091.1	700.8	199.6	70.4	112.5	7.8
Uganda.....	168.0	214.5	128.2	54.3	—	3.3	28.6
Upper Volta.....	19.0	41.2	22.0	17.9	1.3	(1)	(1)
Zaire.....	584.8	762.6	162.3	83.6	308.5	203.5	4.8
Zambia.....	536.8	787.4	306.3	128.2	19.5	34.7	298.7
East Asia—Total	9,664.9	13,823.8	7,558.0	2,724.7	1,954.5	979.0	607.6
China, Republic of.....	811.4	1,593.6	848.2	393.8	305.6	41.3	4.8
Fiji.....	11.9	29.9	7.8	18.7	—	—	3.4
Indonesia.....	4,026.3	5,118.1	3,937.6	406.1	298.6	172.3	303.6
Korea, Republic of.....	2,603.1	3,633.4	1,526.3	551.8	1,169.6	263.1	122.7
Malaysia.....	629.8	979.0	255.5	387.5	31.7	201.7	102.7
Philippines(2).....	853.8	1,275.4	603.3	339.4	43.8	271.2	17.8
Singapore.....	268.2	436.7	133.3	207.5	22.2	21.1	52.7
Thailand.....	396.3	661.7	198.1	408.7	46.5	8.3	—
Viet-Nam.....	64.2	95.8	48.0	11.3	36.5	—	—
Middle East—Total	7,781.6	11,035.9	6,399.6	842.1	1,216.4	1,033.4	1,544.4
Iran.....	3,463.5	5,928.0	3,532.5	566.4	1,088.5	676.7	63.8
Iraq.....	318.6	460.0	389.5	57.6	12.9	—	—
Israel.....	3,570.9	3,863.6	1,777.2	171.3	83.1	351.3	1,480.6
Jordan.....	161.1	221.6	193.9	22.3	—	5.4	—
Syrian Arab Republic.....	243.2	510.4	455.7	22.9	31.8	—	—
Yemen, People's Democratic Republic of.....	24.2	52.4	50.8	1.6	—	—	—
South Asia—Total	15,050.9	18,384.2	13,098.5	3,998.6	1,124.6	154.5	8.1
Afghanistan.....	680.1	773.8	740.0	21.0	12.0	0.8	—
Bangladesh.....	61.0	333.5	112.2	109.3	112.0	—	—
Burma.....	163.5	305.6	227.6	10.2	65.5	2.3	—
India.....	9,856.9	11,652.8	8,196.9	2,812.4	574.6	66.5	2.4
Pakistan.....	3,847.3	4,646.5	3,345.4	934.3	302.9	63.5	0.5
Sri Lanka.....	442.2	671.9	476.3	111.3	57.6	21.4	5.3

(continued)

Note: Includes the same countries as Table 4A. Items may not add to totals due to rounding.

(1) Less than \$50,000.

(2) Does not include publicly guaranteed private debt estimated at \$396 million.

**External Public Debt Outstanding of 86 Developing Countries,
by Country and Type of Creditor, December 31, 1972** (continued)

Table 5

(US\$ millions)

Area Country	Disbursed only	Including undisbursed					Other
		Total	Bilateral official	Multi- lateral	Suppliers	Banks	
Southern Europe—Total	7,030.8	10,308.5	5,179.1	1,917.9	758.2	1,735.4	718.0
Cyprus.....	40.8	73.4	15.9	47.7	9.1	0.7	—
Greece.....	1,311.2	1,744.0	281.3	194.1	175.8	805.6	287.2
Malta.....	21.8	21.8	17.9	3.9	—	—	—
Spain.....	1,473.1	2,064.2	723.1	374.4	102.9	612.7	251.0
Turkey.....	2,454.6	3,364.4	2,403.4	711.9	133.8	43.9	71.5
Yugoslavia ⁽³⁾	1,729.3	3,040.7	1,737.4	585.9	336.5	272.6	108.3
Western Hemisphere—Total	21,458.4	29,575.7	8,197.9	7,314.0	4,607.8	5,888.1	3,567.9
Argentina.....	2,607.3	3,575.8	440.5	741.0	892.0	665.6	836.7
Bolivia.....	628.1	763.6	376.5	89.2	87.9	35.2	174.8
Brazil.....	4,883.6	7,746.7	2,294.3	1,947.0	1,651.2	1,386.5	467.8
Chile.....	2,619.2	3,364.9	1,705.4	219.8	457.6	496.7	485.3
Colombia.....	1,625.7	2,292.5	957.3	955.0	171.4	146.8	61.9
Costa Rica.....	192.0	275.0	73.0	142.1	15.5	33.0	11.5
Dominican Republic.....	270.2	317.4	238.0	36.4	12.8	28.7	1.5
Ecuador.....	304.2	466.4	140.8	123.7	105.3	64.6	32.0
El Salvador.....	109.3	156.3	54.6	78.5	—	20.4	2.9
Guatemala.....	110.7	199.8	69.7	91.5	7.6	28.7	2.3
Guyana.....	152.6	204.4	115.2	22.9	—	7.1	59.3
Honduras.....	119.3	169.9	39.3	122.6	5.0	3.0	—
Jamaica.....	188.1	335.2	111.2	58.7	24.5	82.8	58.0
Mexico.....	3,988.4	4,842.1	460.3	1,559.3	348.4	1,519.3	954.8
Nicaragua.....	211.9	306.1	83.4	116.7	2.6	78.1	25.4
Panama.....	336.0	453.4	107.2	137.1	37.8	108.5	62.9
Paraguay.....	114.9	183.4	102.6	50.0	25.2	4.1	1.5
Peru.....	1,152.3	1,666.8	533.0	196.4	386.0	349.9	201.6
Trinidad and Tobago.....	109.7	134.3	21.1	54.5	4.0	41.2	13.5
Uruguay.....	412.8	492.8	143.5	113.6	85.6	131.0	19.1
Venezuela.....	1,322.3	1,629.1	131.1	458.0	287.7	657.1	95.1
GRAND TOTAL	71,887.0	99,375.8	49,094.7	19,762.9	12,186.4	10,953.1	7,378.7

⁽³⁾ Does not include nonguaranteed debt of the "social sector" contracted after March 31, 1966.
Source: World Bank.

Service Payments on External Public Debt as Percentage of Exports of Goods and Non-factor Services⁽¹⁾, 1965-1972

Table 6

Country	1965	1966	1967	1968	1969	1970	1971	1972
Africa								
Algeria	n.a.	5.2	5.9	5.8	7.5	10.1	15.2	14.2
Botswana ⁽²⁾⁽³⁾	3.7	3.6	5.5	6.5	3.4	2.3	1.9	2.3
Burundi	n.a.	2.2	2.6	3.0	3.1	2.0	1.8	7.1
Cameroon	n.a.	n.a.	3.3	3.0	3.5	4.0	5.1	5.4
Central African Republic	n.a.	n.a.	n.a.	2.6	4.2	3.2	2.1	1.5
Chad	n.a.	n.a.	n.a.	4.7	5.5	3.2	7.7	4.8
Congo, People's								
Republic of	6.5	7.5	4.8	5.3	4.8	8.0	7.6	8.5
Dahomey	3.0	3.8	3.0	4.9	2.5	2.8	4.1	2.7
Egypt, Arab Republic of	15.3	15.5	19.5	19.4	24.5	26.2	19.4	31.5
Ethiopia	5.0	7.8	9.7	9.4	11.0	11.7	10.6	8.7
Gabon	n.a.	n.a.	4.2	5.4	5.3	5.5	6.7	7.3
Gambia, The	n.a.	n.a.	n.a.	n.a.	0.2	0.7	1.1	1.6
Ghana	19.0	6.6	7.2	11.9	9.0	4.7	6.6	3.0
Ivory Coast	4.5	4.9	6.8	5.9	4.9	6.0	7.0	7.4
Kenya ⁽⁴⁾	5.9	5.9	6.8	7.6	5.9	5.3	5.8	5.6
Lesotho ⁽²⁾⁽³⁾	2.5	5.0	2.8	5.1	4.4	8.5	7.1	5.1
Liberia	8.4	5.9	6.0	6.4	7.3	8.0	7.0	6.6
Malagasy Republic	n.a.	3.0	4.6	4.9	4.8	4.0	4.7	4.1
Malawi	6.4	6.1	7.2	7.8	6.6	8.9	9.1	7.8
Mali	8.4	6.5	10.8	8.8	8.6	1.7	0.7	1.3
Mauritania	n.a.	n.a.	1.2	1.2	2.0	3.2	3.1	5.8
Mauritius	2.3	3.3	3.6	6.7	3.1	3.7	5.1	2.1
Morocco	4.8	7.3	7.1	7.8	8.5	8.4	10.3	8.5
Niger	1.3	1.7	1.4	4.2	5.8	3.9	6.1	6.5
Nigeria	3.2	5.4	5.0	6.0	5.6	4.0	2.8	2.5
Rwanda	n.a.	n.a.	n.a.	2.9	3.6	1.4	1.8	2.3
Senegal	n.a.	n.a.	1.9	1.9	2.4	2.3	6.0	4.2
Sierra Leone	5.7	7.0	8.3	5.7	7.2	9.0	8.3	8.7
Somalia	1.3	2.0	2.0	1.9	1.4	2.1	2.5	3.0
Sudan	5.5	6.7	5.6	6.8	8.0	9.1	12.0	12.3
Swaziland ⁽²⁾⁽³⁾	4.5	3.5	3.5	4.5	3.7	4.6	5.2	9.0
Tanzania ⁽⁴⁾	4.5	3.8	4.4	7.1	7.0	6.7	7.4	9.6
Togo	2.2	1.3	2.5	4.0	2.0	3.2	2.8	5.0
Tunisia	7.7	13.6	20.7	23.8	21.1	19.5	16.6	16.2
Uganda ⁽⁴⁾	n.a.	4.7	5.3	8.4	9.5	4.6	6.5	6.0
Upper Volta	2.1	2.6	3.2	4.5	5.1	6.9	5.0	4.4
Zaire	n.a.	n.a.	2.4	2.9	3.9	4.1	4.7	n.a.
Zambia	2.7	2.2	2.4	2.7	1.9	5.1	9.8	10.3
East Asia								
China, Republic of	3.0	3.6	3.3	3.6	4.2	4.6	4.5	4.4
Fiji	0.8	0.8	0.8	0.6	0.8	1.0	0.8	0.9
Indonesia	10.3	8.4	5.3	5.6	5.6	7.0	8.8	8.0
Korea, Republic of	2.8	3.8	5.7	7.2	13.3	20.4	20.5	14.2
Malaysia	1.3	1.4	2.1	2.2	2.2	3.0	2.7	3.0
Philippines	5.4	6.4	7.2	5.3	4.6	7.5	7.0	6.8
Singapore	0.1	0.1	0.2	0.3	0.4	0.6	0.6	1.3
Thailand	3.7	3.4	3.6	3.8	3.9	3.6	3.3	2.8
Viet-Nam	2.9	2.6	1.9	2.1	0.8	1.3	1.3	2.1
Middle East⁽⁵⁾								
Iran ⁽⁶⁾	5.4	4.6	5.0	7.2	9.3	11.4	11.5	17.0
Iraq	1.2	0.8	0.9	1.4	2.2	2.0	1.8	1.7
Israel	22.5	21.4	15.0	16.2	16.3	17.6	13.1	16.6
Jordan	1.2	1.7	2.1	2.8	4.0	4.2	7.6	7.0
Syrian Arab Republic	5.5	9.1	11.6	14.5	17.9	12.0	13.0	10.5
South Asia⁽⁷⁾								
Afghanistan ⁽⁶⁾	7.4	8.2	12.6	20.0	27.4	28.2	25.6	20.4
Burma ⁽⁶⁾	4.6	4.6	6.4	9.2	21.2	16.1	13.6	16.3
India ⁽⁶⁾	15.0	21.9	24.8	21.0	23.2	22.5	24.7	24.1
Pakistan ⁽⁸⁾	11.0	13.0	17.2	19.6	22.1	24.2	34.0	25.0
Sri Lanka	2.0	2.8	3.4	7.0	8.6	9.7	11.3	14.3
Southern Europe								
Cyprus	1.5	1.5	2.7	2.2	2.1	2.4	2.7	2.4
Greece	4.0	4.5	5.5	5.4	6.6	7.5	8.9	8.7
Malta	0.7	0.9	1.4	1.4	1.7	2.0	14.0 ⁽⁹⁾	0.9
Spain	2.1	1.8	1.8	2.4	3.1	4.0	5.2	4.5
Turkey	28.5	20.5	16.4	20.0	16.7	22.5	19.0	18.8
Yugoslavia ⁽¹⁰⁾	14.4	13.6	12.7	13.9	10.0	9.7	6.8	6.6
Western Hemisphere								
Argentina	20.2	25.5	27.0	27.6	23.9	21.1	21.5	22.2
Bolivia	4.8	4.9	6.0	5.9	6.0	11.0	13.0	18.1
Brazil	12.4	13.0	16.0	15.6	16.6	15.1	14.0	13.4
Chile	12.4	10.5	12.6	19.9	18.3	18.3	21.2	13.1 ⁽¹¹⁾
Colombia	14.4	16.5	14.0	13.2	11.7	11.9	14.2	12.8
Costa Rica	10.3	12.0	12.0	11.9	10.6	9.7	9.9	10.0
Dominican Republic	19.2	12.7	7.3	7.7	8.6	5.1	6.7	4.1
Ecuador	6.5	6.6	6.7	8.8	9.8	9.2	12.5	10.6
El Salvador	3.6	3.7	2.6	2.6	2.8	3.7	5.8	3.1
Guatemala	5.2	5.7	7.4	7.8	8.0	7.7	8.2	10.5
Guyana	4.1	5.9	5.2	6.0	3.5	3.9	2.8	4.9
Honduras	2.4	2.1	2.0	1.8	2.3	2.9	3.3	3.4
Jamaica	1.9	1.8	2.2	3.2	3.0	3.2	3.9	5.3
Mexico	24.8	21.9	22.0	26.3	23.4	25.2	24.2	23.5
Nicaragua	4.3	5.6	6.4	7.6	10.1	10.8	13.6	10.5
Panama ⁽²⁾	2.8	2.7	2.7	3.0	3.4	7.8	9.4	11.0
Paraguay	4.2	5.9	7.6	10.3	9.8	10.7	12.7	12.6
Peru	6.8	9.8	11.1	14.6	12.0	13.7	20.1	19.1
Trinidad and Tobago	3.7	4.2	3.5	3.0	3.7	3.8	3.3	3.0
Uruguay	6.9	12.5	17.0	18.9	18.3	19.0	22.2	37.3
Venezuela	1.8	2.7	2.0	2.1	2.0	2.9	3.7	4.5

Note: Debt-service ratios are based on debt service actually paid as reported by the countries and not on contractual debt service due. If a country did not pay the entire debt service due during a year, this may be reflected in a lower debt-service ratio than would have been the case if contractual debt service had been used in computing the ratio. The debt-service ratio is, by itself, an inadequate and incomplete indicator of a country's debt situation. Many other factors must also be considered, such as the stability and diversification of the country's export structure, the prospects for future growth, the extent to which imports can be reduced without adversely affecting current production, the time profile of the country's debt outstanding, the size of foreign-exchange reserves and available compensatory financing facilities, and the debt-service record of the country. For these reasons, international comparisons of debt-service ratios have only limited meaning.

⁽¹⁾ Except where otherwise indicated, includes all goods and non-factor services. Data for some countries are partially estimated.

⁽²⁾ Because of special monetary arrangements peculiar to countries such as this, the debt-service ratio must be regarded with more than usual caution in considering the country's external financial situation.

⁽³⁾ Export data for exports of goods only.

⁽⁴⁾ One-third of the service payments of the East African Community has been added to the service data of Kenya, Tanzania and Uganda.

⁽⁵⁾ Excludes the People's Democratic Republic of Yemen.

⁽⁶⁾ Data are for fiscal years.

⁽⁷⁾ Excludes Bangladesh.

⁽⁸⁾ Data are for Pakistan, which through 1970 included East Pakistan. Data for 1971 included Bangladesh. Data for 1972 are for Pakistan only.

⁽⁹⁾ Service payments for this year reflect prepayments.

⁽¹⁰⁾ External public borrowing declined and was replaced by nonpublic borrowing beginning 1967.

⁽¹¹⁾ Service payments for this year declined due to arrears.

Source: World Bank.

Projected Debt Service on External Public Debt Outstanding, by Region and Type of Creditor, as of December 31, 1972 Table 7A
(US\$ millions)

REGION Type of creditor	Debt out- standing (including undisbursed) Dec. 31, 1972	Projected									
		1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Africa											
Bilateral official.....	8,661.7	679.1	706.7	709.0	725.1	690.7	668.3	623.1	575.5	540.4	476.9
Multilateral.....	2,965.8	126.6	151.1	160.4	175.2	189.9	195.9	195.9	195.7	197.3	194.7
Private											
Suppliers.....	2,524.9	467.0	452.9	438.6	401.9	367.1	290.8	227.9	180.5	135.0	88.3
Banks.....	1,162.7	210.2	215.8	201.2	216.5	201.1	147.5	94.3	49.4	34.5	22.3
Other.....	932.7	201.3	195.4	142.7	116.7	107.2	106.4	60.6	54.7	51.9	38.8
Total.....	16,247.6	1,684.2	1,721.9	1,651.9	1,635.4	1,556.0	1,408.9	1,201.8	1,055.8	959.1	821.0
East Asia											
Bilateral official.....	7,558.0	347.1	368.6	377.8	414.3	421.1	461.1	487.8	475.1	476.9	471.4
Multilateral.....	2,724.7	112.3	149.2	183.3	208.7	230.1	240.1	246.4	244.5	239.1	231.4
Private											
Suppliers.....	1,954.5	471.1	433.7	385.6	334.7	268.7	189.2	115.2	70.3	59.5	37.2
Banks.....	979.0	173.6	212.1	240.5	213.4	161.0	74.8	55.4	44.6	30.5	17.1
Other.....	607.6	120.9	115.4	85.6	55.6	42.9	41.4	37.0	34.8	34.2	42.2
Total.....	13,823.8	1,225.0	1,279.0	1,272.9	1,226.7	1,123.8	1,006.7	941.8	869.3	840.3	799.3
Middle East											
Bilateral official.....	6,399.6	768.1	876.0	842.1	820.2	739.6	667.7	552.2	473.4	386.2	337.2
Multilateral.....	842.1	54.3	62.7	74.1	79.4	77.6	80.1	79.5	78.8	78.8	74.9
Private											
Suppliers.....	1,216.4	303.0	264.2	232.9	209.6	185.0	122.1	79.9	56.4	38.4	24.7
Banks.....	1,033.4	178.5	188.4	193.2	181.9	139.1	171.5	149.9	56.0	16.1	10.2
Other.....	1,544.4	124.3	83.8	76.4	110.2	110.9	113.6	203.8	138.5	155.2	233.5
Total.....	11,035.9	1,428.2	1,475.1	1,418.8	1,401.4	1,252.2	1,155.0	1,065.3	803.1	674.7	680.4
South Asia											
Bilateral official.....	13,098.5	852.6	802.2	840.3	829.0	817.6	813.3	797.9	778.6	741.9	696.7
Multilateral.....	3,998.6	155.9	157.1	157.1	155.0	165.9	157.7	147.6	141.9	121.1	120.8
Private											
Suppliers.....	1,124.6	202.9	184.5	182.5	158.4	131.0	102.1	78.1	51.4	39.6	29.0
Banks.....	154.5	29.8	28.4	25.3	25.6	23.9	19.0	13.6	10.4	6.0	5.4
Other.....	8.1	0.9	0.9	4.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total.....	18,384.2	1,242.0	1,173.1	1,209.1	1,168.2	1,138.6	1,092.4	1,037.3	982.3	908.8	852.1

Southern Europe

Bilateral official.....	5,179.1	532.6	542.6	512.1	499.1	481.1	474.7	442.1	374.9	342.8	315.3
Multilateral.....	1,917.9	103.3	118.3	140.1	160.1	179.0	185.7	185.9	182.7	181.1	177.2
Private											
Suppliers.....	758.2	135.9	147.0	137.9	123.9	106.2	94.2	78.9	56.1	39.2	31.7
Banks.....	1,735.4	346.9	283.9	381.7	322.2	282.7	159.6	105.9	79.0	65.1	42.6
Other.....	718.0	71.8	64.7	68.0	82.5	87.7	92.0	87.5	82.8	57.3	87.5
Total.....	<u>10,308.5</u>	<u>1,190.4</u>	<u>1,156.5</u>	<u>1,239.7</u>	<u>1,187.8</u>	<u>1,136.7</u>	<u>1,006.1</u>	<u>900.4</u>	<u>775.5</u>	<u>685.5</u>	<u>654.2</u>

Western Hemisphere

Bilateral official.....	8,197.9	846.3	751.7	709.5	663.6	623.5	596.1	586.9	517.9	452.8	424.3
Multilateral.....	7,314.0	505.4	565.6	632.5	684.9	727.3	732.0	718.9	701.9	684.5	661.9
Private											
Suppliers.....	4,607.8	955.4	919.6	829.6	726.8	572.8	470.3	372.7	294.6	219.0	169.7
Banks.....	5,888.1	1,180.4	1,231.2	1,200.3	1,179.0	894.1	627.0	451.0	248.8	145.2	98.6
Other.....	3,567.9	746.3	625.5	619.5	487.1	459.6	386.0	324.4	249.4	163.1	147.7
Total.....	<u>29,575.7</u>	<u>4,233.8</u>	<u>4,093.6</u>	<u>3,991.4</u>	<u>3,741.5</u>	<u>3,277.2</u>	<u>2,811.3</u>	<u>2,453.9</u>	<u>2,012.5</u>	<u>1,664.7</u>	<u>1,502.4</u>

86 developing countries

Bilateral official.....	49,094.7	4,025.8	4,047.8	3,990.9	3,951.3	3,773.7	3,681.3	3,490.0	3,195.4	2,941.0	2,721.8
Multilateral.....	19,762.9	1,057.7	1,204.0	1,347.5	1,463.4	1,569.9	1,591.6	1,574.2	1,545.4	1,502.0	1,460.9
Private											
Suppliers.....	12,186.4	2,535.3	2,401.9	2,207.1	1,955.4	1,630.8	1,268.6	952.5	709.3	530.8	380.6
Banks.....	10,953.1	2,119.5	2,159.6	2,242.2	2,138.6	1,701.8	1,199.5	870.2	488.2	297.4	196.2
Other.....	7,378.7	1,265.4	1,085.8	996.1	852.3	808.3	739.5	713.5	560.3	461.9	549.9
Total.....	<u>99,375.8</u>	<u>11,003.7</u>	<u>10,899.1</u>	<u>10,783.8</u>	<u>10,361.0</u>	<u>9,484.6</u>	<u>8,480.5</u>	<u>7,600.4</u>	<u>6,498.6</u>	<u>5,733.1</u>	<u>5,309.4</u>

Note: Includes the same countries as Table 4A. Projected service payments exclude loans for which repayment terms are not available. Items may not add to totals due to rounding. Notes for specific countries in Table 4A apply to this table.

Source: World Bank.

Projected Debt Service on External Public Debt Outstanding, by Income Group and Type of Creditor, as of December 31, 1972 Table 7B

(US\$ millions)

Group Type of creditor	Debt out- standing (including undisbursed) Dec. 31, 1972	Projected									
		1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Oil exporters											
Bilateral official	9,888.9	775.9	915.7	900.4	902.8	861.5	833.0	730.0	640.8	568.9	530.0
Multilateral	2,127.6	121.4	136.0	150.6	161.8	169.3	171.8	172.3	174.6	175.9	166.7
Private											
Suppliers	3,085.2	606.6	616.8	594.5	543.8	456.0	348.0	237.1	185.5	137.3	97.1
Banks	1,996.6	358.7	416.4	442.0	413.0	333.7	219.3	137.3	57.7	17.0	15.3
Other	568.3	96.6	108.9	101.5	67.3	61.2	53.0	29.2	23.1	19.4	18.3
Total	17,666.6	1,959.2	2,193.8	2,189.1	2,088.7	1,881.7	1,625.1	1,306.0	1,081.8	918.5	827.4
Higher-income countries											
Bilateral official	14,157.7	1,508.5	1,427.7	1,353.3	1,308.4	1,223.1	1,179.7	1,132.4	990.9	883.6	807.4
Multilateral	9,104.6	603.4	689.7	787.8	864.8	919.0	935.1	921.5	897.1	875.7	848.1
Private											
Suppliers	5,253.6	1,138.3	1,076.2	948.5	814.9	658.1	526.6	425.3	326.5	234.8	182.1
Banks	7,557.7	1,466.9	1,450.3	1,513.5	1,483.0	1,167.0	830.9	634.5	363.4	231.5	153.1
Other	5,858.9	981.2	794.7	763.8	691.9	666.0	600.0	626.2	484.5	399.8	490.0
Total	41,932.5	5,698.4	5,438.6	5,366.9	5,163.0	4,633.1	4,072.2	3,739.9	3,062.5	2,625.4	2,480.7
Middle-income countries											
Bilateral official	9,506.4	742.9	745.1	723.8	730.8	705.3	697.1	678.7	638.6	614.1	565.3
Multilateral	3,282.2	139.2	172.2	198.6	224.7	254.9	266.2	272.2	273.8	270.5	265.2
Private											
Suppliers	2,291.2	509.0	444.5	404.5	375.5	335.1	252.3	178.1	118.6	98.0	52.3
Banks	888.4	202.7	196.6	195.6	153.8	115.7	85.4	59.4	45.8	34.3	16.2
Other	740.2	149.3	153.7	96.6	68.7	66.5	58.2	48.2	44.7	34.7	30.5
Total	16,708.4	1,743.2	1,712.0	1,619.1	1,553.4	1,477.6	1,359.3	1,236.6	1,121.3	1,051.7	929.4
Lower-income countries											
Bilateral official	15,541.8	998.6	959.4	1,013.4	1,009.3	983.8	971.4	949.0	925.1	874.5	819.0
Multilateral	5,248.5	193.6	206.2	210.4	212.1	226.7	218.5	208.2	199.9	179.9	180.9
Private											
Suppliers	1,556.3	281.4	264.4	259.7	221.3	181.7	141.8	112.0	78.6	60.6	49.2
Banks	510.4	91.1	96.4	91.1	88.8	85.5	63.8	38.9	21.3	14.6	11.7
Other	211.3	38.1	28.3	34.2	24.5	14.6	28.4	9.8	8.1	8.0	11.1
Total	23,068.3	1,602.8	1,554.7	1,608.8	1,556.0	1,492.3	1,423.9	1,317.9	1,233.1	1,137.6	1,071.8
86 developing countries											
Bilateral official	49,094.7	4,025.9	4,047.9	3,990.9	3,951.3	3,773.7	3,681.3	3,490.1	3,195.4	2,941.0	2,721.8
Multilateral	19,762.9	1,057.7	1,204.1	1,347.5	1,463.4	1,570.0	1,591.6	1,574.3	1,545.4	1,502.0	1,460.9
Private											
Suppliers	12,186.4	2,535.3	2,401.9	2,207.1	1,955.4	1,630.8	1,268.6	952.5	709.3	530.8	380.6
Banks	10,953.1	2,119.5	2,159.6	2,242.2	2,138.6	1,701.8	1,199.5	870.2	488.2	297.4	196.2
Other	7,378.7	1,265.2	1,085.7	996.1	852.3	808.3	739.6	713.4	560.3	461.9	549.9
Total	99,375.7	11,003.6	10,899.2	10,783.9	10,361.0	9,484.6	8,480.6	7,600.4	6,498.6	5,733.2	5,309.4

Note: Includes the same countries as Table 4B. Projected service payments exclude loans for which repayment terms are not available. Items may not add to totals due to rounding. Notes for specific countries in Table 4B apply to this table.

Source: World Bank.

**External Resource Flows and Service Payments
on External Public Debt, by Region, 1965-1972**

Table 8A

(US\$ millions)

Region Year	Disbursements			Debt service			Net flow ⁽²⁾	Net transfer ⁽³⁾
	Loans	Grants and grant-like ⁽¹⁾	Total	Amorti- zation	Interest	Total		
Africa								
1965	860.4	987.8	1,848.2	299.2	155.8	455.0	1,549.0	1,393.2
1966	920.7	848.8	1,769.5	331.6	174.2	505.9	1,438.0	1,263.6
1967	1,064.3	812.8	1,877.0	396.1	169.1	565.2	1,490.0	1,311.8
1968	1,059.6	842.6	1,902.2	465.3	193.9	659.2	1,436.8	1,242.9
1969	1,096.0	1,005.1	2,101.2	552.2	226.0	778.2	1,548.9	1,322.9
1970	1,669.1	1,001.2	2,670.3	642.2	262.4	904.6	2,028.1	1,765.7
1971	1,839.0	1,102.4	2,941.4	690.9	296.4	987.3	2,250.6	1,954.2
1972	2,195.2	1,441.7	3,636.8	925.9	340.9	1,266.8	2,710.9	2,370.0
East Asia⁽⁴⁾								
1965	525.2	676.2	1,201.5	161.1	41.9	203.0	1,040.4	998.5
1966	497.6	742.2	1,239.7	191.0	50.7	241.7	1,048.7	998.0
1967	788.2	859.0	1,647.3	209.3	56.9	266.2	1,438.0	1,381.0
1968	944.8	885.3	1,830.1	214.9	81.6	296.5	1,615.2	1,533.6
1969	1,345.6	855.7	2,201.3	284.7	113.6	398.3	1,916.6	1,803.0
1970	1,228.5	818.8	2,047.3	458.5	177.6	636.1	1,588.8	1,411.2
1971	1,433.0	806.2	2,239.2	506.9	240.4	747.3	1,732.3	1,491.9
1972	2,222.8	907.6	3,130.4	580.0	288.3	868.3	2,550.4	2,262.1
Middle East								
1965	400.3	199.9	600.2	213.2	49.0	262.2	387.0	338.0
1966	413.9	124.5	538.4	230.0	51.5	281.6	308.3	256.8
1967	699.7	82.8	782.5	195.9	63.7	259.7	586.6	522.9
1968	1,088.1	73.3	1,161.3	306.3	86.6	392.9	855.0	768.5
1969	918.1	78.3	996.4	406.2	109.8	516.0	590.2	480.4
1970	1,471.3	94.6	1,565.9	493.6	139.5	633.1	1,072.2	932.8
1971	1,886.9	103.6	1,990.5	595.6	223.6	819.2	1,394.9	1,171.3
1972	2,222.3	161.8	2,384.1	1,032.0	268.9	1,300.9	1,352.1	1,083.2
South Asia								
1965	1,458.3	843.6	2,301.9	254.3	136.0	390.4	2,047.5	1,911.5
1966	1,396.6	877.2	2,273.9	304.7	196.9	501.6	1,969.2	1,772.2
1967	1,751.7	786.4	2,538.0	383.2	226.2	609.4	2,154.8	1,928.6
1968	1,719.0	532.8	2,251.8	397.4	238.2	635.5	1,854.4	1,616.2
1969	1,579.9	377.9	1,957.8	477.0	272.7	749.7	1,480.8	1,208.1
1970	1,452.0	371.9	1,823.9	481.2	289.4	770.6	1,342.7	1,053.3
1971	1,814.7	494.1	2,308.8	623.4	311.6	935.0	1,685.4	1,373.8
1972	1,316.9	562.5	1,879.3	596.5	348.6	945.1	1,282.8	934.2
Southern Europe⁽⁵⁾								
1965	657.3	74.6	731.9	362.1	83.7	445.9	369.8	286.0
1966	799.5	59.1	858.7	336.4	102.6	439.0	522.2	419.6
1967	764.5	56.6	821.0	322.5	115.0	437.5	498.6	383.5
1968	910.8	64.8	975.6	375.1	140.5	515.6	600.4	459.9
1969	1,016.0	85.4	1,101.5	361.5	175.4	536.8	740.0	564.6
1970	939.2	99.3	1,038.5	477.3	228.4	705.7	561.2	332.8
1971	1,153.2	98.6	1,251.8	563.2	237.3	800.5	688.6	451.3
1972	1,563.3	82.4	1,645.7	587.1	273.4	860.6	1,058.6	785.1
Western Hemisphere								
1965	1,897.1	424.0	2,321.1	1,140.3	333.0	1,473.3	1,180.8	847.8
1966	2,018.8	383.4	2,042.3	1,299.2	385.4	1,684.7	1,103.0	717.6
1967	2,738.4	370.4	3,108.8	1,307.4	454.4	1,761.8	1,801.4	1,347.0
1968	2,836.0	395.5	3,231.5	1,607.5	529.9	2,137.3	1,624.1	1,094.2
1969	3,193.4	476.4	3,669.8	1,650.0	609.4	2,259.4	2,019.7	1,410.3
1970	3,761.3	449.1	4,210.4	1,741.9	747.7	2,489.5	2,468.5	1,720.9
1971	3,564.1	471.2	4,035.4	1,850.5	816.6	2,667.1	2,184.8	1,368.3
1972	5,192.1	466.3	5,658.4	2,137.7	946.2	3,083.8	3,520.7	2,574.5
86 Developing Countries								
1965	5,798.7	3,206.1	9,004.8	2,430.3	799.5	3,229.8	6,574.5	5,775.0
1966	6,047.2	3,035.2	9,082.4	2,693.1	961.4	3,654.5	6,389.3	5,427.9
1967	7,806.8	2,967.8	10,774.7	2,814.4	1,085.4	3,899.8	7,960.2	6,874.9
1968	8,558.2	2,794.2	11,352.4	3,366.5	1,270.6	4,637.1	7,985.9	6,715.3
1969	9,149.1	2,878.9	12,028.0	3,731.6	1,507.0	5,238.6	8,296.4	6,789.4
1970	10,521.3	2,834.9	13,356.2	4,294.6	1,845.0	6,139.5	9,061.6	7,216.6
1971	11,690.9	3,076.2	14,767.1	4,830.5	2,125.9	6,956.4	9,936.6	7,810.7
1972	14,712.6	3,622.1	18,334.7	5,859.2	2,466.2	8,325.4	12,475.5	10,009.3

Note: Includes the same countries as Table 4A. Items may not add to totals due to rounding.

(1) Grants consist of grant and grant-like contributions by DAC countries and grants by multilateral agencies as compiled by OECD, as well as disbursements by the Inter-American Development Bank on loans repayable in the recipients' currencies.

(2) Disbursements on loans, grants and grant-like loans minus amortization on loans.

(3) Net flow minus interest on loans.

(4) Does not include publicly guaranteed private debt of the Philippines.

(5) Does not include the non-guaranteed debt of the "social sector" of Yugoslavia contracted after March 31, 1966.

Source: World Bank and OECD.

**External Resource Flows and Service Payments
on External Public Debt, by Income Group, 1965-1972**

Table 8B

(US\$ millions)

Group Year	Disbursements			Debt service			Net flow ²⁾	Net transfer ³⁾
	Loans	Grants and grant-like ¹⁾	Total	Amorti- zation	Interest	Total		
Oil exporters								
1965	551.5	262.9	814.4	218.3	65.1	283.4	596.1	531.0
1966	597.7	263.7	861.4	256.8	65.8	322.6	604.6	538.8
1967	756.2	262.6	1,018.7	227.8	73.3	301.1	790.9	717.6
1968	1,209.7	296.8	1,506.5	292.8	106.6	399.3	1,213.7	1,107.2
1969	1,230.8	310.9	1,541.7	372.8	149.1	521.9	1,168.9	1,019.8
1970	1,980.0	340.5	2,320.5	503.2	209.7	712.9	1,817.3	1,607.6
1971	2,234.8	319.5	2,554.2	729.5	291.1	1,020.6	1,824.7	1,533.6
1972	3,080.8	345.3	3,426.1	1,147.3	363.5	1,510.8	2,278.8	1,915.3
Higher-income countries ⁴⁾								
1965	2,634.2	624.7	3,258.9	1,479.7	426.7	1,906.4	1,779.2	1,352.5
1966	2,821.1	480.5	3,301.5	1,667.9	501.6	2,169.5	1,633.6	1,132.0
1967	3,805.8	477.4	4,283.3	1,669.8	589.4	2,259.2	2,613.4	2,024.0
1968	4,001.6	491.4	4,493.0	2,067.8	697.7	2,765.4	2,425.2	1,727.6
1969	4,307.7	584.1	4,891.7	2,141.9	813.6	2,955.5	2,749.8	1,936.2
1970	5,070.8	555.7	5,626.5	2,372.0	1,000.0	3,371.9	3,254.5	2,254.6
1971	5,132.9	577.7	5,710.6	2,514.7	1,113.0	3,627.6	3,195.9	2,082.9
1972	7,292.6	592.1	7,884.6	2,911.1	1,289.8	4,200.9	4,973.6	3,683.8
Middle-income countries ⁵⁾								
1965	964.3	1,025.6	1,989.9	434.6	131.3	565.8	1,555.4	1,424.1
1966	974.0	1,048.7	2,022.7	410.6	145.6	556.2	1,612.1	1,466.5
1967	1,176.2	1,086.8	2,263.1	464.7	144.2	608.9	1,798.3	1,654.2
1968	1,311.2	1,113.8	2,425.0	506.3	170.0	676.3	1,918.6	1,748.7
1969	1,690.4	1,139.4	2,829.8	625.8	203.9	829.7	2,204.0	2,000.1
1970	1,690.7	1,105.7	2,796.3	822.1	272.4	1,094.5	1,974.2	1,701.8
1971	2,047.6	1,112.8	3,160.5	816.7	332.5	1,149.2	2,343.8	2,011.3
1972	2,284.7	1,303.8	3,588.4	1,018.4	375.3	1,393.6	2,570.1	2,194.8
Lower-income countries								
1965	1,648.6	1,292.9	2,941.5	297.7	176.4	474.2	2,643.7	2,467.3
1966	1,654.4	1,242.3	2,896.7	357.8	248.4	606.2	2,538.9	2,290.6
1967	2,068.6	1,141.0	3,209.6	452.1	278.5	730.6	2,757.5	2,479.0
1968	2,035.8	892.2	2,928.0	499.6	296.4	796.0	2,428.4	2,131.9
1969	1,920.3	844.5	2,764.8	591.2	340.3	931.5	2,173.6	1,833.3
1970	1,779.8	833.1	2,612.8	597.2	363.0	960.2	2,015.6	1,652.6
1971	2,275.6	1,066.3	3,341.9	769.7	389.3	1,159.0	2,572.2	2,182.9
1972	2,054.5	1,381.0	3,435.5	782.4	437.7	1,220.1	2,653.1	2,215.4
86 developing countries								
1965	5,798.7	3,206.1	9,004.8	2,430.3	799.5	3,229.8	6,574.5	5,775.0
1966	6,047.2	3,035.2	9,082.4	2,693.1	961.4	3,654.5	6,389.3	5,427.9
1967	7,806.8	2,967.8	10,774.7	2,814.4	1,085.4	3,899.8	7,960.2	6,874.9
1968	8,558.2	2,794.2	11,352.4	3,366.5	1,270.6	4,637.1	7,985.9	6,715.3
1969	9,149.1	2,878.9	12,028.0	3,731.6	1,507.0	5,238.6	8,296.4	6,789.4
1970	10,521.3	2,834.9	13,356.2	4,294.6	1,845.0	6,139.5	9,061.6	7,216.6
1971	11,690.9	3,076.2	14,767.1	4,830.5	2,125.9	6,956.4	9,936.6	7,810.7
1972	14,712.6	3,622.1	18,334.7	5,859.2	2,466.2	8,325.4	12,475.5	10,009.3

Note: Includes the same countries as Table 4B. Items may not add to totals due to rounding.

¹⁾ Grants consist of grant and grant-like contributions by DAC countries and grants by multilateral agencies as compiled by OECD, as well as disbursements by the Inter-American Development Bank on loans repayable in the recipients' currencies.

²⁾ Disbursements on loans, grants and grant-like loans minus amortization on loans.

³⁾ Net flow minus interest on loans.

⁴⁾ Does not include the nonguaranteed debt of the "social sector" of Yugoslavia contracted after March 31, 1965.

⁵⁾ Does not include publicly guaranteed private debt of the Philippines.

Source: World Bank and OECD.

Average Terms of Loan Commitments and Grant Element of Loans and Grants, by Region, 1965-1972

Table 9A

(Amounts in US\$ millions)

Region	Year	Loan commitments					Grant element (%) ⁽¹⁾	Grants ⁽²⁾ (Amounts)	Grant element of loans and grants ⁽¹⁾ (%)	Amount of loans used for terms calculation ⁽³⁾
		Amount	Maturity (Years)	Grace (Years)	Interest (%)	Grant element (%)				
Africa ⁽⁴⁾	1965	930.5	19.9	5.4	3.8	43	844.4	70	925.4	
	1966	1,089.6	17.9	4.4	3.7	41	711.8	64	1,068.9	
	1967	1,161.2	18.1	4.7	3.6	42	683.4	64	1,155.3	
	1968	1,196.7	19.9	4.5	4.0	40	705.0	63	1,178.5	
	1969	1,263.7	21.3	5.5	4.2	41	869.9	65	1,256.8	
	1970	2,197.3	24.1	5.9	3.5	48	878.8	63	2,179.3	
	1971	1,622.2	19.7	5.2	4.1	40	997.9	63	1,592.6	
	1972	2,174.8	22.3	5.8	4.1	42	1,332.9	65	2,091.1	
East Asia ⁽⁵⁾	1965	790.0	14.0	3.6	4.9	29	676.2	65	670.4	
	1966	755.3	17.5	4.5	4.6	35	742.2	68	712.0	
	1967	1,079.4	14.3	4.0	5.4	27	859.0	59	1,079.3	
	1968	1,311.3	19.3	5.3	4.5	37	885.3	63	1,311.1	
	1969	1,762.2	20.2	5.4	5.0	35	855.7	56	1,730.9	
	1970	1,726.0	21.5	5.6	5.1	35	818.8	56	1,726.0	
	1971	2,201.4	21.4	5.9	4.4	40	806.2	56	2,201.4	
	1972	3,119.4	20.4	5.7	5.0	35	907.6	50	3,119.4	
Middle East ⁽⁶⁾	1965	405.5	16.2	2.4	3.6	37	81.0	47	405.5	
	1966	557.1	14.2	2.7	4.0	33	87.7	42	557.1	
	1967	661.8	11.3	2.5	4.7	25	64.5	32	661.8	
	1968	662.7	13.1	2.2	4.5	28	57.6	34	654.1	
	1969	948.5	10.5	2.2	6.1	18	61.1	23	947.2	
	1970	1,450.1	11.4	2.8	5.8	21	68.4	24	1,450.1	
	1971	1,186.4	10.7	2.6	5.3	22	83.0	27	1,186.4	
	1972	1,547.4	12.2	2.7	4.7	27	113.4	32	1,547.4	
South Asia	1965	1,770.4	26.2	6.3	2.6	57	843.6	71	1,671.4	
	1966	2,495.6	27.8	6.4	2.2	61	877.2	72	2,348.0	
	1967	1,615.3	26.2	6.5	2.5	58	786.4	73	1,495.9	
	1968	1,884.7	29.7	7.1	3.0	57	532.8	67	1,757.8	
	1969	1,588.4	30.8	7.4	2.7	60	377.9	68	1,394.1	
	1970	2,104.0	32.7	9.8	2.2	66	371.9	72	1,955.1	
	1971	1,626.8	33.7	7.8	2.2	65	494.1	73	1,572.4	
	1972	1,731.6	33.0	7.9	1.7	69	562.5	77	1,671.5	
Southern Europe ⁽⁷⁾	1965	930.2	17.5	4.3	4.0	39	74.6	44	927.4	
	1966	695.2	20.7	4.8	4.2	40	59.1	45	692.9	
	1967	1,245.0	18.4	4.1	4.2	37	56.6	40	1,245.0	
	1968	954.0	14.8	4.3	5.3	28	64.8	32	953.7	
	1969	1,097.3	15.5	3.5	5.0	31	85.4	36	1,097.3	
	1970	1,146.6	14.9	4.4	5.4	27	99.3	33	1,146.6	
	1971	1,756.3	14.3	3.8	6.1	22	98.6	27	1,756.3	
	1972	2,377.1	14.5	3.4	4.8	30	82.4	32	2,270.6	
Western Hemisphere	1965	2,410.3	19.8	3.5	5.2	31	424.0	41	2,383.0	
	1966	2,617.7	19.0	4.3	5.1	32	383.4	41	2,602.4	
	1967	3,501.5	13.8	4.3	5.8	24	370.4	32	3,474.6	
	1968	3,474.9	15.3	3.5	6.0	23	395.5	31	3,442.1	
	1969	3,387.2	13.9	3.6	6.5	20	476.4	30	3,353.4	
	1970	4,023.5	14.9	3.4	6.7	19	449.1	27	3,982.2	
	1971	4,989.0	13.8	3.6	6.5	20	471.2	27	4,893.6	
	1972	6,906.7	13.0	3.4	6.6	18	466.3	23	6,782.4	
Total	1965	7,236.9	20.3	4.5	4.1	40	2,943.8	58	6,983.1	
	1966	8,210.5	21.1	4.9	3.9	43	2,861.6	58	7,981.2	
	1967	9,264.2	16.9	4.5	4.6	34	2,820.2	50	9,111.9	
	1968	9,484.4	19.0	4.5	4.8	35	2,641.0	49	9,297.3	
	1969	10,047.5	18.2	4.5	5.2	32	2,726.5	47	9,779.8	
	1970	12,647.3	19.8	5.2	5.0	35	2,686.3	46	12,439.3	
	1971	13,382.2	17.9	4.6	5.2	32	2,951.1	44	13,202.8	
	1972	17,856.8	17.5	4.5	5.2	31	3,465.0	43	17,482.4	

⁽¹⁾ The grant element is the face value of loan commitments less the discounted present value of the future flow of repayments of principal and interest, using the customary rate of 10% and expressed as a percentage of face value.

⁽²⁾ Data for grants are taken from OECD (DAC) and Inter-American Development Bank sources. Included are grant-like flows (loans repayable in local currencies), bilateral grants, and UN agency grants. Figures for grants are on a disbursed basis, while figures for loans are on a commitment basis. The grant element of a grant is 100%.

⁽³⁾ This column shows the amount of loans for which repayment terms are known.

⁽⁴⁾ Excludes Algeria, Ghana and The Gambia.

⁽⁵⁾ Does not include publicly guaranteed private debt of the Philippines.

⁽⁶⁾ Excludes Israel and Syrian Arab Republic.

⁽⁷⁾ Does not include nonguaranteed debt of the "social sector" contracted after March 31, 1966, by Yugoslavia.

Source: World Bank and OECD.

Average Terms of Loan Commitments and Grant Element of Loans and Grants, by Income Group, 1965-1972

Table 9B

(Amounts in US\$ millions)

Group	Year	Loan commitments					Grant ⁽¹⁾ element of loans (%)	Grants ²⁾ (Amounts ¹⁾	Grant element of loans and grants ⁽¹⁾ (%)	Amount of loans used for terms calculation ⁽³⁾
		Amount	Maturity (Years)	Grace (Years)	Interest (%)					
Oil exporters ⁽⁴⁾	1965	923.1	15.8	3.0	4.2	34	126.0	43	803.3	
	1966	848.7	13.4	2.8	4.3	31	146.7	41	801.1	
	1967	991.3	14.0	4.4	4.8	30	154.4	40	991.3	
	1968	1,245.9	17.9	3.9	4.4	35	180.0	44	1,234.2	
	1969	1,691.8	17.4	4.3	5.2	30	199.2	38	1,687.8	
	1970	2,230.5	16.7	4.2	5.3	29	241.5	36	2,230.1	
	1971	2,630.5	16.5	4.4	4.8	33	241.9	39	2,630.1	
	1972	3,093.9	14.9	3.9	4.9	30	262.5	35	3,091.6	
Higher-income countries ⁽⁵⁾	1965	3,195.9	18.5	5.5	5.0	31	512.6	41	3,165.2	
	1966	3,086.0	17.6	3.9	5.2	30	449.9	39	3,073.0	
	1967	4,704.1	14.2	4.0	5.5	26	464.7	33	4,676.4	
	1968	4,304.1	14.9	3.7	5.9	24	484.9	32	4,277.3	
	1969	4,309.0	13.6	3.6	6.3	21	577.4	30	4,274.2	
	1970	5,345.6	15.7	3.8	6.3	22	548.3	29	5,304.7	
	1971	6,433.3	13.6	3.5	6.4	20	567.0	26	6,334.2	
	1972	9,204.0	13.4	3.4	6.3	20	554.8	25	8,935.6	
Middle-income countries ⁽⁶⁾	1965	1,057.7	19.4	5.6	3.6	44	1,016.4	71	1,057.1	
	1966	1,456.2	21.1	5.5	3.8	44	1,025.4	67	1,435.2	
	1967	1,527.4	16.7	4.1	4.5	34	1,062.9	61	1,525.2	
	1968	1,566.8	17.2	4.2	4.6	34	1,084.5	61	1,564.3	
	1969	1,980.3	18.5	4.5	4.8	34	1,107.3	58	1,950.4	
	1970	2,074.3	18.5	4.6	4.7	35	1,064.2	57	2,061.9	
	1971	2,141.0	19.4	5.0	4.7	36	1,079.5	58	2,128.9	
	1972	3,079.9	21.1	5.8	4.5	40	1,270.8	57	3,064.3	
Lower-income countries ⁽⁷⁾	1965	2,060.2	25.5	6.1	2.8	55	1,288.8	73	1,957.5	
	1966	2,819.6	27.4	6.3	2.3	60	1,239.6	73	2,672.0	
	1967	2,041.4	25.2	6.0	2.5	57	1,138.2	73	1,919.1	
	1968	2,367.6	28.6	6.7	3.1	55	891.5	68	2,221.4	
	1969	2,066.4	29.1	7.0	2.9	57	842.6	70	1,867.4	
	1970	2,996.9	31.0	8.9	2.6	62	832.2	70	2,842.5	
	1971	2,177.4	31.0	7.5	2.4	62	1,062.7	75	2,109.6	
	1972	2,479.0	31.3	7.5	2.1	64	1,376.9	77	2,390.8	
Total	1965	7,236.9	20.3	4.5	4.1	40	2,943.8	58	6,983.1	
	1966	8,210.5	21.1	4.9	3.9	43	2,861.6	58	7,981.2	
	1967	9,264.2	16.9	4.5	4.6	34	2,820.2	50	9,111.9	
	1968	9,484.4	19.0	4.5	4.8	35	2,641.0	49	9,297.3	
	1969	10,047.5	18.2	4.5	5.2	32	2,726.5	47	9,779.8	
	1970	12,647.3	19.8	5.2	5.0	35	2,686.3	46	12,439.3	
	1971	13,382.2	17.9	4.6	5.2	32	2,951.1	44	13,202.8	
	1972	17,856.8	17.5	4.5	5.2	31	3,465.0	43	17,842.4	

⁽¹⁾ The grant element is the face value of loan commitments less the discounted present value of the future flow of repayments of principal and interest, using the customary rate of 10% and expressed as a percentage of face value.

⁽²⁾ Data for grants are taken from OECD (DAC) and Inter-American Development Bank sources. Included are grant-like flows (loans repayable in local currencies), bilateral grants, and UN agency grants. Figures for grants are on a disbursed basis, while figures for loans are on a commitment basis. The grant element of a grant is 100%.

⁽³⁾ This column shows the amount of loans for which repayment terms are known.

⁽⁴⁾ Excludes Algeria.

⁽⁵⁾ Excludes Israel and nonguaranteed debt of the "social sector" contracted after March 31, 1966, by Yugoslavia.

⁽⁶⁾ Excludes Ghana, Syrian Arab Republic and publicly guaranteed private debt of the Philippines.

⁽⁷⁾ Excludes The Gambia.

Source: World Bank and OECD.

**Average Amount of Loans and Grants Received (and Grant Element),
by Developing Countries, 1965-1968 and 1969-1972⁽¹⁾**

Table 10

(Amounts in US\$ millions)

Region Country Years	4-year averages				Region Country Years	4-year averages			
	Loans received ⁽²⁾	Grants received	Grant element %			Loans received ⁽²⁾	Grants received	Grant element %	
			Loans	Loans and grants				Loans	Loans and grants
Africa					Lesotho				
Botswana					1965 to 1968	1.5	11.4	74	97
1965 to 1968	0.8	13.9	49	97	1969 to 1972	0.2	13.5	44	99
1969 to 1972	28.5	10.8	65	74	Liberia				
Burundi					1965 to 1968	5.8	11.4	61	87
1965 to 1968	1.0	7.8	51	95	1969 to 1972	10.4	10.7	54	77
1969 to 1972	0.9	19.4	63	98	Malagasy Republic				
Cameroon					1965 to 1968	14.7	30.5	50	84
1965 to 1968	29.5	22.8	43	68	1969 to 1972	16.5	50.6	65	91
1969 to 1972	49.6	43.2	42	69	Malawi				
Central African Republic					1965 to 1968	22.6	21.7	61	80
1965 to 1968	1.8	11.5	30	90	1969 to 1972	31.9	16.9	63	76
1969 to 1972	13.6	18.7	50	79	Mali				
Chad					1965 to 1968	17.1	11.5	69	82
1965 to 1968	7.4	13.1	39	78	1969 to 1972	12.9	28.6	80	94
1969 to 1972	2.7	28.6	67	97	Mauritania				
Congo, People's Republic of					1965 to 1968	5.4	6.9	32	70
1965 to 1968	19.3	10.8	45	65	1969 to 1972	14.9	10.0	69	81
1969 to 1972	51.1	19.0	35	52	Mauritius				
Dahomey					1965 to 1968	3.6	3.3	22	60
1965 to 1968	2.7	11.8	17	85	1969 to 1972	16.0	6.1	79	85
1969 to 1972	17.9	18.4	65	83	Morocco				
Ethiopia					1965 to 1968	120.4	58.9	39	59
1965 to 1968	42.0	22.1	49	67	1969 to 1972	137.3	54.6	41	58
1969 to 1972	45.1	25.8	63	77	Niger				
Gabon					1965 to 1968	10.9	15.6	41	76
1965 to 1968	8.7	9.8	28	66	1969 to 1972	16.6	29.3	66	88
1969 to 1972	42.3	19.3	25	48	Nigeria				
Ghana ⁽³⁾					1965 to 1968	65.4	42.2	48	68
1966 to 1968	36.5	19.6	55	71	1969 to 1972	127.3	63.4	39	60
1969 to 1972	40.4	23.2	66	78	Rwanda				
Ivory Coast					1965 to 1968	0.8	10.1	26	94
1965 to 1968	63.3	24.0	31	50	1969 to 1972	3.2	23.4	82	98
1969 to 1972	112.5	40.9	23	44	Senegal				
Kenya					1965 to 1968	22.6	33.9	46	78
1965 to 1968	43.5	30.3	60	76	1969 to 1972	25.9	49.4	44	81
1969 to 1972	57.8	45.3	47	70	Sierra Leone				
					1965 to 1968	7.5	6.5	32	64
					1969 to 1972	13.8	6.7	44	63

⁽¹⁾ Excludes Algeria, The Gambia and Syrian Arab Republic for which data are not available.

⁽²⁾ Excluded from this column are loans, for which repayment terms are not available and which could not, therefore, be used in the grant element calculations: 1965 to 1968 average of \$205.6 million or 2.4%; 1969 to 1972 average of \$257.4 million or 1.9%.

⁽³⁾ Data for 1965 not available.

(continued)

**Average Amount of Loans and Grants Received (and Grant Element),
by Developing Countries, 1965-1968 and 1969-1972⁽¹⁾** (continued)

Table 10

(Amounts in US\$ millions)

Region Country Years	4-year averages				Region Country Years	4-year averages			
	Loans received ²⁾	Grants received	Grant element %			Loans received ²⁾	Grants received	Grant element %	
			Loans	Loans and grants				Loans	Loans and grants
Somalia					Sri Lanka				
1965 to 1968	13.8	18.1	73	88	1965 to 1968	74.5	11.8	40	48
1969 to 1972	28.5	22.1	75	86	1969 to 1972	97.9	19.1	53	60
Sudan					Southern Europe				
1965 to 1968	45.0	8.6	39	49	Cyprus				
1969 to 1972	39.0	17.7	37	57	1965 to 1968	1.7	2.9	19	71
Swaziland					1969 to 1972	13.9	4.6	23	42
1965 to 1968	3.5	7.7	32	78	Greece				
1969 to 1972	2.0	6.0	48	87	1965 to 1968	104.0	6.3	19	23
Tanzania					1969 to 1972	290.2	4.6	18	19
1965 to 1968	29.1	24.4	46	71	Malta				
1969 to 1972	115.4	30.8	75	81	1965 to 1968	3.5	13.6	24	84
Togo					1969 to 1972	3.5	16.4	28	87
1965 to 1968	2.8	8.7	51	88	Spain				
1969 to 1972	3.0	18.6	45	92	1965 to 1968	242.5	6.5	22	24
Tunisia					1969 to 1972	355.1	6.4	17	18
1965 to 1968	121.0	48.1	39	56	Turkey				
1969 to 1972	150.3	63.8	49	64	1965 to 1968	331.5	25.1	53	56
Uganda					1969 to 1972	431.6	49.5	45	50
1965 to 1968	21.7	12.9	70	81	Yugoslavia⁽⁵⁾				
1969 to 1972	21.9	21.1	55	77	1965 to 1968	271.5	9.4	34	36
Upper Volta					1969 to 1972	471.8	9.9	27	28
1965 to 1968	2.7	14.0	42	91	Western Hemisphere				
1969 to 1972	8.4	27.5	60	91	Argentina				
Zaire					1965 to 1968	404.9	16.7	16	19
1965 to 1968	62.3	82.2	36	72	1969 to 1972	599.4	29.2	11	13
1969 to 1972	145.8	90.8	26	54	Bolivia				
Zambia					1965 to 1968	30.2	22.2	56	74
1965 to 1968	39.1	27.2	30	59	1969 to 1972	108.4	19.5	47	55
1969 to 1972	162.5	19.0	48	54	Brazil				
East Asia					1965 to 1968	n.a.	n.a.	n.a.	n.a.
China, Republic of					1969 to 1972	1,281.3	99.7	21	27
1965 to 1968	124.6	24.3	25	37	Chile				
1969 to 1972	127.6	13.3	21	24	1965 to 1968	373.4	39.0	31	37
Fiji					1969 to 1972	346.4	44.8	19	28
1965 to 1968	0.4	4.6	13	93	Colombia				
1969 to 1972	6.0	8.4	17	65	1965 to 1968	211.6	28.1	39	46
Indonesia					1969 to 1972	345.2	52.5	32	41
1965 to 1968	203.4	48.6	43	54	Costa Rica				
1969 to 1972	611.8	104.9	57	63	1965 to 1968	25.6	10.0	28	48
Korea, Republic of					1969 to 1972	43.6	12.2	24	41
1965 to 1968	375.8	165.4	31	52					
1969 to 1972	687.3	113.1	35	44					

Malaysia					Dominican Republic				
1965 to 1968	78.4	25.2	32	49	1965 to 1968	39.1	35.6	61	80
1969 to 1972	161.0	20.4	23	32	1969 to 1972	38.7	21.9	44	64
Philippines⁽⁴⁾					Ecuador				
1965 to 1968	79.1	62.8	18	54	1965 to 1968	34.3	15.9	31	53
1969 to 1972	217.3	57.9	30	44	1969 to 1972	69.4	16.2	28	41
Singapore					El Salvador				
1965 to 1968	39.0	4.0	49	54	1965 to 1968	10.1	11.4	38	71
1969 to 1972	70.8	11.2	19	30	1969 to 1972	21.2	9.8	35	56
Viet-Nam					Guatemala				
1965 to 1968	0.8	410.5	54	100	1965 to 1968	34.0	12.4	27	47
1969 to 1972	17.5	465.6	37	98	1969 to 1972	36.8	17.9	33	55
Thailand					Guyana				
1965 to 1968	41.7	45.2	29	66	1965 to 1968	12.0	7.5	50	69
1969 to 1972	95.4	52.3	29	54	1969 to 1972	30.1	5.2	43	51
Middle East					Honduras				
Iran					1965 to 1968				
1965 to 1968	562.0	13.5	29	31	1969 to 1972	19.4	9.3	47	64
1969 to 1972	1,277.3	13.5	22	23	Jamaica				
Iraq					1965 to 1968				
1965 to 1968	29.1	4.0	38	45	1969 to 1972	28.0	5.7	23	36
1969 to 1972	60.7	10.1	32	42	Mexico				
Israel					1965 to 1968				
1965 to 1968	n.a.	n.a.	n.a.	n.a.	1969 to 1972	663.8	9.6	17	18
1969 to 1972	609.5	15.5	30	32	Nicaragua				
Jordan					1965 to 1968				
1965 to 1968	17.4	55.3	69	93	1969 to 1972	47.6	10.8	36	48
1969 to 1972	22.1	54.1	58	88	Panama				
Yemen, People's Democratic Republic of					1965 to 1968				
1965 to 1968	—	—	—	—	1969 to 1972	17.8	13.8	55	75
1969 to 1972	13.8	3.8	58	67	Paraguay				
South Asia					1965 to 1968				
Afghanistan					1969 to 1972				
1965 to 1968	27.7	31.7	63	83	1965 to 1968	47.6	10.8	36	48
1969 to 1972	34.1	32.3	66	83	1969 to 1972	48.3	9.7	20	33
Burma					Panama				
1965 to 1968	25.3	13.5	34	57	1965 to 1968	17.8	13.8	55	75
1969 to 1972	58.7	24.9	38	56	1969 to 1972	98.1	9.4	19	26
India					Paraguay				
1965 to 1968	1,218.3	535.3	63	74	1965 to 1968	15.8	10.7	39	64
1969 to 1972	880.6	243.6	70	76	1969 to 1972	26.2	15.5	40	62
Pakistan					Peru				
1965 to 1968	472.6	167.7	51	64	1965 to 1968	196.8	28.8	18	28
1969 to 1972	500.8	79.3	61	66	1969 to 1972	205.9	43.1	17	32
					Trinidad and Tobago				
					1965 to 1968				
					1969 to 1972				
					1965 to 1968				
					1969 to 1972				
					Uruguay				
					1965 to 1968				
					1969 to 1972				
					Venezuela				
					1965 to 1968				
					1969 to 1972				

¹⁾ Excludes Algeria, The Gambia and Syrian Arab Republic for which data are not available.

²⁾ Excluded from this column are loans, for which repayment terms are not available and which could not, therefore, be used in the grant element calculations: 1965 to 1968 average of \$205.6 million or 2.4%; 1969 to 1972 average of \$257.4 million or 1.9%.

³⁾ Data for 1965 not available.

⁴⁾ Does not include publicly guaranteed private debt.

⁵⁾ Does not include nonguaranteed debt of the "social sector" contracted after March 31, 1966.

Source: World Bank and OECD.

Foreign and International Bond Issues by Market and Country of Borrower Entity, 1971-1973, First Half 1974⁽¹⁾
Table 11

(US\$ millions)

Borrowing countries	Years and markets															
	1971				1972				1973				First half 1974 (P)			
	North American and other markets	European markets	Inter-national markets	Total	North American and other markets	European markets	Inter-national markets	Total	North American and other markets	European markets	Inter-national markets	Total	North American and other markets	European markets	Inter-national markets	Total
Industrialized countries																
Europe																
Austria.....	—	22.0	15.0	37.0	—	82.8	—	82.8	—	89.4	87.3	176.7	—	31.4	—	31.4
Belgium.....	—	—	—	—	—	—	—	—	—	39.4	75.0	114.4	—	25.6	—	25.6
Denmark.....	—	—	143.4	143.4	—	20.8	295.6	316.4	—	61.0	99.2	160.2	—	35.4	37.5	72.9
Finland.....	—	2.0	96.4	98.4	—	65.3	233.6	298.9	35.0	19.6	77.7	132.3	10.0	8.1	15.0	33.1
France.....	—	63.4	242.9	306.3	—	73.3	168.9	242.2	—	—	91.6	91.6	25.0	11.0	85.3	121.3
Germany, Federal Republic of.....	—	45.8	33.2	79.0	—	73.0	50.5	123.5	—	31.2	25.0	56.2	—	35.7	—	35.7
Iceland.....	—	—	10.0	10.0	—	6.6	25.0	31.6	—	5.0	14.5	19.5	9.0	—	—	9.0
Ireland.....	—	61.1	40.0	101.1	—	—	30.0	30.0	—	107.9	29.8	137.7	—	6.9	24.1	31.0
Italy.....	—	27.7	122.3	150.0	—	—	65.0	65.0	—	—	40.3	40.3	—	—	50.0	50.0
Luxembourg.....	—	—	—	—	—	15.5	—	15.5	—	—	65.4	65.4	—	—	—	—
Netherlands.....	—	104.8	117.2	222.0	—	11.4	133.8	145.2	—	—	159.6	159.6	—	27.6	77.2	104.8
Norway.....	—	45.5	76.9	122.4	—	18.2	92.3	110.5	—	52.0	53.4	105.4	—	—	15.0	15.0
Sweden.....	—	6.3	81.4	87.7	—	54.9	170.3	225.2	—	55.5	89.3	144.8	50.0	—	—	50.0
Switzerland.....	—	—	51.6	51.6	—	—	—	—	—	—	—	—	—	—	7.9	7.9
United Kingdom.....	—	174.9	490.4	665.3	20.4	75.5	787.7	883.6	—	325.0	988.0	1,313.0	50.0	7.0	85.0	142.0
Multinational corporations ⁽²⁾	—	20.2	102.6	122.8	—	—	229.6	229.6	—	60.3	34.5	94.8	—	—	—	—
Subtotal.....	—	573.7	1,623.3	2,197.0	20.4	497.3	2,282.3	2,800.0	35.0	846.3	1,930.6	2,811.9	144.0	188.7	397.0	729.7
Others																
Australia.....	—	—	120.9	120.9	32.5	—	250.0	282.5	—	—	—	—	—	—	—	—
Canada.....	634.7	10.7	215.0	860.4	1,018.8	119.8	366.7	1,505.3	924.7	73.4	202.5	1,200.6	849.9	8.8	64.3	923.0
Japan.....	—	—	124.9	124.9	—	—	31.0	31.0	—	6.9	35.0	41.9	10.0	36.9	77.0	123.9
New Zealand.....	—	50.5	44.7	95.2	—	—	64.2	64.2	—	—	—	—	—	—	—	—
South Africa.....	—	—	218.1	218.1	—	26.4	254.8	281.2	—	32.6	138.0	170.6	—	—	15.0	15.0
United States.....	—	274.9	1,106.4	1,381.3	35.1	209.0	2,028.5	2,272.6	45.4	452.9	819.6	1,317.9	—	36.2	45.0	81.2
Subtotal.....	634.7	336.1	1,830.0	2,800.8	1,086.4	355.2	2,995.2	4,436.8	970.1	565.8	1,195.1	2,731.0	859.9	81.9	201.3	1,143.1
Total.....	634.7	909.8	3,453.3	4,997.8	1,106.8	852.5	5,277.5	7,236.8	1,005.1	1,412.1	3,125.7	5,542.9	1,003.9	270.6	598.3	1,872.8
Multilateral European institutions																
Council of Europe.....	—	—	—	—	—	10.6	30.3	40.9	—	25.7	—	25.7	—	—	—	—
Eurofima ⁽³⁾	—	21.8	49.3	71.1	—	42.5	46.3	88.8	—	56.7	29.9	86.6	10.0	29.5	25.0	64.5
European Coal and Steel Community.....	—	79.1	26.0	105.1	—	168.6	71.0	239.6	—	161.4	83.1	244.5	—	16.1	70.0	86.1
European Investment Bank.....	—	172.6	83.3	255.9	—	237.3	264.6	501.9	—	286.7	321.7	608.4	—	—	126.7	126.7
Interfrigo ⁽⁴⁾	—	—	10.0	10.0	—	25.9	—	25.9	—	—	—	—	—	—	—	—
Total.....	—	273.5	168.6	442.1	—	484.9	412.2	897.1	—	530.5	434.7	965.2	10.0	45.6	221.7	277.3
International development institutions																
Asian Development Bank.....	80.4	24.4	20.0	124.8	32.5	26.1	—	58.6	—	10.5	20.0	30.5	17.2	—	—	17.2
Inter-American Development Bank.....	—	71.8	47.4	119.2	—	108.8	32.4	141.2	11.3	27.0	53.4	91.7	23.8	5.7	—	29.5
International Bank for Reconstruction and Development.....	844.9	350.9	388.3	1,584.1	859.6	574.6	490.9	1,925.1	908.1	584.0	410.0	1,902.1	618.4	151.2	257.7	1,027.3
Total.....	925.3	447.1	455.7	1,828.1	892.1	709.5	523.3	2,124.9	919.4	621.5	483.4	2,024.3	659.4	156.9	257.7	1,074.0

Developing countries

Algeria.....	—	—	—	—	—	—	25.0	25.0	50.7	—	20.0	70.7	59.7	—	—	59.7
Brazil.....	6.0	—	—	6.0	—	—	121.0	121.0	35.7	—	25.0	60.7	—	—	—	—
Colombia.....	—	—	—	—	—	—	—	—	—	—	45.0	45.0	—	—	—	—
Costa Rica.....	6.8	—	—	6.8	—	—	—	—	—	—	—	—	—	—	—	—
Egypt, Arab Republic of.....	—	—	—	—	—	—	—	—	—	—	53.0	53.0	—	—	—	—
Greece.....	—	—	—	—	—	—	45.0	45.0	—	—	15.0	15.0	—	—	—	—
Guinea.....	—	—	—	—	—	—	30.0	30.0	—	—	30.0	30.0	—	—	—	—
Hong Kong.....	—	—	15.0	15.0	—	—	—	—	—	26.5	50.0	76.5	—	—	50.0	50.0
Hungary.....	—	—	25.0	25.0	—	—	50.0	50.0	—	—	—	—	—	—	—	—
India.....	1.2	—	—	1.2	—	—	—	—	—	2.5	—	2.5	—	—	—	—
Indonesia.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Iran.....	—	—	—	—	—	—	20.0	20.0	—	—	20.7	20.7	—	—	—	—
Israel.....	237.0	—	—	237.0	222.3	—	20.0	242.3	468.2	—	—	468.2	393.7	—	—	393.7
Ivory Coast.....	—	—	—	—	—	—	—	—	—	8.7	—	8.7	—	—	—	—
Jamaica.....	—	—	—	—	—	—	10.0	10.0	—	—	14.0	14.0	—	—	—	—
Korea, Republic of.....	12.0	—	—	12.0	—	—	—	—	—	—	—	—	—	—	—	—
Malaysia.....	—	—	—	—	—	—	24.8	24.8	—	—	17.1	17.1	—	—	—	—
Mexico.....	20.0	—	30.0	50.0	96.5	—	80.0	176.5	116.4	—	61.0	177.4	—	—	—	—
Netherlands Antilles.....	—	17.4	—	17.4	—	—	—	—	—	—	—	—	—	—	—	—
Nicaragua.....	—	—	—	—	—	—	—	—	—	—	10.0	10.0	—	—	—	—
Oman.....	—	—	—	—	—	—	—	—	—	—	25.0	25.0	—	—	—	—
Panama.....	—	—	16.0	16.0	20.0	—	20.0	40.0	—	—	—	—	—	—	—	—
Papua New Guinea.....	—	—	—	—	—	—	—	—	17.9	—	17.2	35.1	—	16.7	—	16.7
Philippines.....	—	—	—	—	—	—	50.0	50.0	—	—	—	—	—	—	—	—
Portugal.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	17.2	17.2
Singapore.....	—	—	10.0	10.0	—	—	51.0	51.0	—	—	30.0	30.0	—	—	—	—
Spain.....	—	—	72.3	72.3	—	—	128.0	128.0	16.6	—	71.0	87.6	—	—	—	—
Sudan.....	—	—	—	—	—	—	—	—	23.7	—	—	23.7	—	—	—	—
Venezuela.....	—	—	—	—	—	—	39.8	39.8	—	—	7.5	7.5	—	—	—	—
Yugoslavia.....	—	—	—	—	—	—	—	—	—	—	30.0	30.0	—	—	—	—
Zaire.....	—	—	—	—	—	—	—	—	—	—	13.0	13.0	—	—	—	—
Total.....	283.0	17.4	168.3	468.7	338.8	—	714.6	1,053.4	729.2	37.7	554.5	1,321.4	453.4	16.7	67.2	537.3
Recapitulation																
Industrialized countries.....	634.7	909.8	3,453.3	4,997.8	1,106.8	852.5	5,277.5	7,236.8	1,005.1	1,412.1	3,125.7	5,542.9	1,003.9	270.6	598.3	1,872.8
Multilateral European institutions... ..	—	273.5	168.6	442.1	—	484.9	412.2	897.1	—	530.5	434.7	965.2	10.0	45.6	221.7	277.3
Total.....	634.7	1,183.3	3,621.9	5,439.9	1,106.8	1,337.4	5,689.7	8,133.9	1,005.1	1,942.6	3,560.4	6,508.1	1,013.9	316.2	820.0	2,150.1
International development																
institutions.....	925.3	447.1	455.7	1,828.1	892.1	709.5	523.3	2,124.9	919.4	621.5	483.4	2,024.3	659.4	156.9	257.7	1,074.0
Developing countries.....	283.0	17.4	168.3	468.7	338.8	—	714.6	1,053.4	729.2	37.7	554.5	1,321.4	453.4	16.7	67.2	537.3
Total.....	1,208.3	464.5	624.0	2,296.8	1,230.9	709.5	1,237.9	3,178.3	1,648.6	659.2	1,037.9	3,345.7	1,112.8	173.6	324.9	1,611.3
GRAND TOTAL.....	1,843.0	1,647.8	4,245.9	7,736.7	2,337.7	2,046.9	6,927.6	11,312.2	2,653.7	2,601.8	4,598.3	9,853.8	2,126.7	489.8	1,144.9	3,761.4

⁽¹⁾ Includes both public offerings and private placements.

⁽²⁾ Includes the following corporations: Ameribas Holding S.A., Compass Finance S.A., General Shopping S.A., Investag Finance S.A., Scandinavian Airlines System, Shell Finance Company N.V., Shell International Finance N.V., Société Financière Européenne, Trans-Austria Gasline Finance Company, Ltd., and Trans-European Natural Gas Pipeline Finance Company, Ltd.

⁽³⁾ Société Européenne pour le Financement de Matériel Ferroviaire.

⁽⁴⁾ Société Ferroviaire Internationale de Transports Frigorifiques.

^(P) Preliminary.

Source: World Bank.

Average Issue Yield of New Publicly Offered Foreign and International Bonds, 1971-1973, First Half 1974

Table 12

(Percentages)

	Issued in North American and other markets by				Issued in European markets by					Issued in international markets by				
	World Bank	Other inter-national development institutions (1)	Canada (2)	Others (2)	World Bank	Other inter-national development institutions (1)	U.S. corporations	Other industrialized countries (3)	Developing countries (2)	World Bank	Other inter-national development institutions (1)	U.S. corporations	Other industrialized countries (3)	Developing countries (2)
1971														
First quarter.....	6.50	—	8.06	—	—	7.74	6.64	7.04	—	—	—	7.95	8.06	8.31
Second quarter.....	7.82	7.22	8.40	—	7.29	7.52	6.95	7.16	—	—	—	8.24	7.95	8.90
Third quarter.....	8.03	—	8.34	—	7.87	—	6.55	8.03	7.84	—	—	7.87	8.20	—
Fourth quarter.....	7.45	7.41	—	—	7.50	7.00	6.25	7.05	—	—	—	7.57	8.16	8.20
1972														
First quarter.....	6.56	—	7.86	—	6.37	—	5.81	6.38	—	—	—	6.38	7.42	8.30
Second quarter.....	6.78	7.30	7.78	—	6.57	6.75	5.58	5.72	—	7.28	6.75	5.58	7.24	7.17
Third quarter.....	7.02	—	—	6.94	6.78	—	5.50	6.37	—	—	—	5.40	6.81	8.20
Fourth quarter.....	7.00	—	7.48	8.22	—	6.94	—	6.36	—	—	—	6.25	7.45	7.92
1973														
First quarter.....	7.10	—	—	—	6.89	—	6.73	6.44	—	—	—	5.57	6.96	7.67
Second quarter.....	—	—	7.90	—	6.28	6.00	6.00	6.14	—	—	—	8.18	7.54	7.30
Third quarter.....	7.56	—	8.44	7.93	—	—	5.99	6.46	—	—	—	7.24	8.20	7.75
Fourth quarter.....	7.25	—	8.23	8.32	7.25	—	6.50	7.37	8.00	—	—	6.77	8.62	7.63
1974 (P)														
First quarter.....	7.36	7.36	8.67	—	7.00	—	—	7.38	7.47	—	—	9.38	8.68	6.50
Second quarter.....	—	7.50	9.23	—	—	—	7.75	8.24	—	—	—	9.55	9.08	—

(1) Issues by the Asian Development Bank and the Inter-American Development Bank.

(2) Issues by governments, public and private corporations.

(3) Issues by governments, public and private corporations, and multilateral European institutions.

(P) Preliminary.

Source: World Bank.

Selected Foreign Trade Indicators, 1965-1973

Table 13

	1965	1966	1967	1968	1969	1970	1971	1972	1973(P)
Total Value of Exports and Imports (US\$ millions)									
Exports									
World.....	184,139	201,370	211,892	236,342	269,668	308,806	344,463	385,527	547,771
Developed market economies.....	125,853	138,681	146,200	164,647	189,648	218,903	244,883	269,594	395,205
Centrally planned economies.....	19,950	21,148	23,054	25,162	27,780	30,893	33,717	39,910	54,500
Developing market economies.....	38,336	41,541	42,538	46,533	52,240	59,010	65,863	76,023	98,066
Major oil exporters.....	10,720	11,432	12,035	13,433	14,490	16,284	20,901	24,502	33,591
Higher-income countries.....	16,291	18,283	18,838	20,478	24,084	27,549	29,293	33,977	41,940
Middle-income countries.....	6,326	6,424	6,572	7,207	7,909	8,899	9,419	11,358	15,828
Lower-income countries.....	4,999	5,402	5,093	5,415	5,757	6,278	6,250	6,186	6,707
Imports									
World.....	190,879	208,792	219,210	243,818	277,187	318,233	353,921	411,501	558,048
Developed market economies.....	128,540	141,393	149,539	168,039	193,166	222,577	247,706	290,351	400,318
Centrally planned economies.....	19,657	20,615	22,025	23,927	26,372	30,179	32,722	40,286	55,500
Developing market economies.....	42,682	46,784	47,649	51,852	57,649	65,477	73,493	80,864	102,230
Major oil exporters.....	6,134	6,166	6,604	7,480	8,428	9,395	10,925	13,354	19,976
Higher-income countries.....	21,383	23,780	24,602	27,077	30,984	36,452	41,145	45,673	57,360
Middle-income countries.....	8,037	9,392	9,413	10,318	11,250	12,363	13,640	15,215	18,183
Lower-income countries.....	7,128	7,446	7,030	6,977	6,987	7,267	7,783	6,622	6,711
Export Price Indices (1963=100)									
Primary commodities									
Developed.....	103	104	101	100	104	108	115	130	188
Developing.....	105	107	103	100	104	109	119	133	198
Food.....	102	102	100	100	104	106	111	126	177
Developed.....	103	105	104	102	106	111	117	131	194
Developing.....	105	108	107	102	105	109	120	134	205
Agricultural non-food.....	101	102	101	102	108	115	112	127	179
Developed.....	103	104	96	96	101	101	105	120	184
Developing.....	103	106	98	96	100	103	108	124	191
Minerals (including fuels).....	102	100	94	94	100	99	98	112	172
Developed.....	104	104	103	102	104	111	127	141	181
Developing.....	106	107	105	104	107	130	145	154	191
Nonferrous base metals	103	103	102	102	103	104	119	136	178
Developed.....	135	156	142	150	168	180	155	153	222
Developing.....	129	144	135	142	158	170	151	150	207
Developing.....	146	177	156	165	187	198	161	161	252
All commodities (including manufactured goods)									
Developed.....	103	105	105	104	107	113	118	128	154
Developing.....	103	105	105	104	108	114	119	130	156
Developing.....	102	104	103	103	106	109	116	121	144
Export Quantum Indices (1963=100)									
All commodities	118	127	134	151	167	183	194	213	244
Developed.....	120	130	137	155	173	189	202	200	250
Developing.....	113	118	124	136	147	160	168	186	226

Note: Income groups same as in Table 1B.

(P) Preliminary.

Source: United Nations.

Wheat and Coarse Grains⁽¹⁾—Production, Imports, Exports and Stocks in Major Exporting Countries, by Economic Regions and Principal Areas, 1971/72-1973/74

Table 14

(Million metric tons)

	Wheat			Coarse grains			Total grains excl. rice		
	1971 72	1972 73	1973 74 (P)	1971 72	1972 73	1973 74 (P)	1971 72	1972 73	1973 74 (P)
Production									
Developed countries									
Australia.....	8.9	6.9	11.9	5.8	3.6	5.3	14.7	10.5	17.2
Canada.....	14.4	14.5	17.1	22.8	18.8	18.5	37.2	33.3	35.6
Japan.....	0.4	0.3	0.2	0.6	0.4	0.3	1.0	0.7	0.5
South Africa.....	1.6	1.7	1.6	10.1	4.6	11.7	11.7	6.3	13.3
United States.....	44.0	42.0	46.6	189.7	182.1	186.7	233.7	224.1	233.3
Western Europe ⁽²⁾	50.8	51.1	50.5	80.4	80.4	82.9	131.2	131.5	133.4
Total.....	120.1	116.5	127.9	309.4	289.9	305.4	429.5	406.4	433.3
Developing countries									
Africa.....	6.8	7.3	6.6	40.8	45.2	47.0	47.6	52.5	53.6
Asia.....	49.5	54.0	50.3	34.8	33.3	30.4	84.3	87.3	80.7
Latin America.....	11.2	10.5	10.4	46.2	41.1	48.0	57.4	51.6	58.4
Total.....	67.5	71.8	67.3	121.8	119.6	125.4	189.3	191.4	192.7
Centrally planned									
China, People's Republic of.....	24.0	26.0	27.0	72.0	68.0	71.0	96.0	94.0	98.0
Eastern Europe.....	30.2	30.7	31.8	50.4	55.0	56.6	80.6	85.7	88.4
USSR ⁽³⁾	98.8	85.8	109.7	70.6	70.4	96.6	169.4	156.2	206.3
Total.....	153.0	142.5	168.5	193.0	193.4	224.2	346.0	335.9	392.7
World Total.....	340.6	330.8	363.7	624.2	602.9	655.0	964.8	933.7	1,018.7
Imports									
Developed countries									
Japan.....	5.0	5.5	5.6	10.1	12.0	13.8	15.1	17.5	19.4
Western Europe ⁽²⁾	12.2	13.6	13.7	26.4	27.0	31.0	38.6	40.6	44.7
Total.....	17.2	19.1	19.3	36.5	39.0	44.8	53.7	58.1	64.1
Developing countries									
China, People's Republic of.....	3.0	5.3	6.5	0.4	0.8	3.0	3.4	6.1	9.5
Eastern Europe.....	5.2	4.6	4.5	4.6	4.7	3.5	9.8	9.3	8.0
USSR.....	3.4	14.9	4.5	4.3	5.6	5.0	7.7	20.5	9.5
Total.....	11.6	24.8	15.5	9.3	11.1	11.5	20.9	35.9	27.0
All others.....	—	—	—	—	—	1.2	—	—	1.2
World Total.....	56.4	73.4	71.1	54.2	63.4	70.4	110.6	136.8	141.5
Exports									
Main exporting countries									
Argentina.....	1.3	3.4	1.7	6.2	4.3	9.7	7.5	7.7	11.4
Australia.....	8.7	5.5	6.5	3.2	1.7	1.7	11.9	7.2	8.2
Canada.....	13.7	15.6	13.0	4.4	4.0	3.3	18.1	19.6	16.3
Eastern Europe.....	0.7	0.5	0.7	0.6	0.7	1.2	1.3	1.2	1.9
South Africa.....	—	0.2	0.3	3.1	3.6	0.4	3.1	3.8	0.7
United States.....	16.9	31.7	32.4	20.7	35.5	39.6	37.6	67.2	72.0
USSR.....	5.8	1.3	5.0	0.7	—	0.5	6.5	1.3	5.5
Western Europe.....	8.7	11.7	11.5	11.4	10.1	11.3	20.1	21.8	22.8
All others.....	0.6	3.5	—	3.9	3.5	2.7	4.5	7.0	2.7
World Total.....	56.4	73.4	71.1	54.2	63.4	70.4	110.6	136.8	141.5
Stocks (ending June 30)									
Main exporting countries									
Argentina.....	2.9	2.4	1.9	7.0	11.3	11.0	9.9	13.7	12.9
Australia.....	5.1	2.5	3.7	2.7	0.9	1.9	7.8	3.4	5.6
Canada.....	17.8	12.0	10.2	7.6	6.5	5.3	25.4	18.5	15.5
South Africa.....	n.a.	n.a.	n.a.	11.7	8.6	10.2	11.7	8.6	10.2
United States.....	23.5	11.9	4.9	78.4	68.5	59.8	101.9	80.4	64.7
Total.....	49.3	28.8	20.7	107.4	95.8	88.2	156.7	124.6	108.9

⁽¹⁾ Maize, barley, oats, and sorghum, millets.

⁽²⁾ Includes intra-trade between the 9 EEC countries.

⁽³⁾ Gross weight basis.

(P) Preliminary.

Source: FAO and US Department of Agriculture.

Rice — Production, Exports and Imports, 1971-1974

(Million tons, milled rice equivalent)

Table 15

	Production (milled)				Exports				Imports			
	1970/71	1971/72	1972/73	1973/74(F)	1971	1972	1973(P ¹)	1974(F, ^{1,2})	1971	1972	1973(P)	1974(F) ⁽²⁾
Developing countries												
Asia												
Bangladesh.....	11.1	9.8	9.4	12.5	—	—	—	—	0.40	0.70	0.20	0.40
Burma.....	5.4	5.5	5.0	5.7	0.81	0.52	0.15	0.40	—	—	—	—
China, Republic of.....	2.2	2.0	2.3	2.4	0.05	0.05	0.10	0.10	—	—	—	—
Hong Kong.....	—	—	—	—	—	—	—	—	0.34	0.36	0.35	0.40
Khmer Republic.....	2.5	1.8	1.3	0.7	0.03	—	—	—	—	0.10	0.17	0.20
India.....	42.2	43.1	38.6	45.0	—	—	—	—	0.24	0.13	0.10	0.12
Indonesia.....	12.9	13.5	13.0	13.5	—	—	—	—	0.51	0.73	1.30	1.10
Korea, Republic of.....	3.7	3.7	3.6	3.8	—	—	—	—	1.01	0.57	0.43	0.40
Malaysia.....	1.1	1.2	1.3	1.4	—	—	—	—	0.25	0.15	0.10	0.10
Pakistan.....	2.2	2.3	2.2	2.5	0.20	0.30	0.77	0.50	—	—	—	—
Philippines.....	3.6	3.4	3.1	3.5	—	—	—	—	0.44	0.43	0.32	0.40
Singapore.....	—	—	—	—	—	—	—	—	0.23	0.29	0.25	0.26
Sri Lanka.....	1.1	0.9	0.9	0.9	—	—	—	—	0.34	0.27	0.32	0.20
Thailand.....	8.8	9.0	7.9	9.3	1.57	2.15	0.83	1.50	—	—	—	—
Viet-Nam.....	3.8	4.2	4.1	4.3	—	—	—	—	0.14	0.38	0.38	0.40
Others.....	7.8	7.3	7.3	7.5	0.16	0.14	0.20	0.20	0.23	0.25	0.25	0.25
Total Asia.....	108.4	107.7	100.0	113.0	2.82	3.16	2.05	2.70	4.13	4.36	4.17	4.23
Middle East.....	3.0	3.0	3.1	3.0	0.52	0.50	0.50	0.55	0.58	0.50	0.60	0.70
Africa.....	3.2	3.3	3.2	3.3	0.05	0.05	0.05	0.05	0.95	0.98	0.80	1.00
Latin America.....	7.9	7.1	7.8	7.8	0.40	0.20	0.40	0.50	0.51	0.50	0.40	0.55
Total developing.....	122.5	121.0	114.1	127.1	3.79	3.91	3.00	3.80	6.17	6.34	5.97	6.48
Developed countries												
North America.....	2.5	2.6	2.6	2.8	1.48	2.04	2.00	2.00	0.14	0.10	0.10	0.10
Western Europe.....	1.0	1.0	0.9	1.0	0.46	0.40	0.30	0.40	0.64	0.59	0.56	0.60
Japan.....	11.5	9.9	10.7	11.1	0.91	0.20	0.62	0.40	—	—	—	—
Oceania.....	0.2	0.2	0.2	0.2	0.18	0.14	0.19	0.22	0.10	0.10	0.10	0.10
Total developed.....	15.2	13.7	14.4	15.1	3.03	2.78	3.11	3.02	0.88	0.79	0.76	0.80
Centrally planned												
China, People's Republic of.....	68.0	70.7	67.3	70.0	0.90	0.96	1.20	1.00	—	—	—	—
Others.....	1.1	1.1	1.3	1.3	—	—	—	—	0.60	0.62	0.59	0.60
Total centrally planned.....	69.1	71.8	68.6	71.3	0.90	0.96	1.20	1.00	0.60	0.62	0.59	0.60
WORLD	206.8	206.5	197.1	213.5	7.72	7.65	7.31	7.80	7.65	7.75	7.32	7.90

Note: Extraction rate paddy, milled: 66.7%.

⁽¹⁾ Export availabilities.

⁽²⁾ Import requirements.

(F) Forecast.

(P) Preliminary.

Source: FAO and World Bank.

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Balance Sheet

June 30, 1974 and June 30, 1973

Expressed in United States currency (in thousands)— see Notes to Financial Statements, Appendix G

Assets	<u>1974</u>	<u>1973</u>
DUE FROM BANKS AND OTHER DEPOSITORIES		
Unrestricted currencies (including interest-bearing, demand deposits \$62,984—1974, \$88,564—1973).....	\$ 84,760	\$ 141,795
Currencies subject to restrictions—Note B.....	<u>69,281</u>	<u>74,084</u>
	\$ 154,041	215,879
INVESTMENTS		
Obligations of governments and their instrumentalities (at cost or amortized cost; face amount \$2,110,904—1974, \$1,836,741—1973)—Note C.....	\$ 2,088,968	1,817,831
Time deposits (at cost or amortized cost; face amount \$1,609,336—1974, \$1,482,053—1973).....	1,609,561	1,482,062
Accrued interest.....	<u>77,389</u>	<u>70,312</u>
	3,775,918	3,370,205
RECEIVABLE ON ACCOUNT OF SUBSCRIBED CAPITAL (see Appendix D)—Note B		
Non-negotiable, non-interest-bearing, demand obligations.....	\$ 398,939	411,529
Amounts required to maintain value of currency holdings.....	<u>16,276</u>	<u>27,410</u>
	415,215	438,939
LOANS (see Appendix E)		
Less—loans approved but not yet effective.....	\$18,467,450	15,953,082
Effective loans (including undisbursed balance \$6,142,871—1974, \$4,955,278—1973).....	<u>1,835,081</u>	<u>1,324,204</u>
	16,632,369	14,628,878
ACCRUED INCOME ON LOANS		
	178,534	168,064
RECEIVABLE FROM SALES OF INVESTMENT SECURITIES		
	121,733	—
RECEIVABLE FROM PURCHASERS ON ACCOUNT OF EFFECTIVE LOANS AGREED TO BE SOLD (including undisbursed balance \$45,545—1974, \$58,082—1973).....		
	77,558	78,174
OTHER ASSETS		
Land and buildings—less accumulated depreciation (\$7,269—1974, \$6,123—1973).....	\$ 58,602	58,336
Unamortized issuance costs of borrowings.....	45,773	43,514
Exchange adjustments on capital subscriptions—Note B.....	99,212	106,566
Miscellaneous.....	<u>13,160</u>	<u>23,570</u>
	216,747	231,986
SPECIAL RESERVE FUND ASSETS—Note D		
Investment securities—obligations of United States Government and its Instrumentalities (at cost or amortized cost; face amount \$294,685—1974, \$292,434—1973).....	\$ 292,515	292,445
Accrued loan commissions.....	<u>14</u>	<u>32</u>
	292,529	292,477
TOTALS	<u>\$21,864,644</u>	<u>\$19,424,602</u>

Appendix A

International Bank for
Reconstruction and Development

Liabilities, Reserves and Capital	1974	1973
LIABILITIES		
Accrued charges on borrowings.....	\$ 235,918	\$ 215,239
Amounts required to maintain value of currency holdings—Note B.....	26,708	—
Accounts payable and other liabilities.....	15,820	9,793
Payable for investment securities purchased, and sold under agreements to repurchase.....	354,267	—
Due to International Development Association—Note E.....	357,983	341,876
Undisbursed balance of effective loans (see Appendix E)		
Held by Bank.....	\$ 6,142,871	4,955,278
Agreed to be sold.....	45,545	58,082
	6,188,416	5,013,360
BORROWINGS (see Appendix F)		
Principal amounts.....	\$ 9,940,710	9,439,902
Less—amounts receivable under contracts.....	290,705	558,147
Principal amounts outstanding.....	\$ 9,650,005	8,881,755
Less—net amounts of unamortized discounts and premiums.....	14,059	14,080
	9,635,946	8,867,675
RESERVES		
Special reserve—Note D.....	\$ 292,529	292,477
Supplemental reserve against losses on loans and from currency devaluations (see Appendix B)—Note F.....	1,479,650	1,457,817
	1,772,179	1,750,294
CAPITAL		
Capital stock (see Appendix D)—Note G		
Authorized capital (\$27,000,000—United States dollars of 1944)		
Subscribed capital (United States dollars of 1944 \$25,225,600—1974, \$25,197,300—1973).....	\$30,430,867	30,396,727
Less—uncalled portion of subscriptions (United States dollars of 1944 \$22,703,040—1974, \$22,677,570—1973).....	27,387,780	27,357,054
	3,043,087	3,039,673
Payments on account of pending subscriptions (see Appendix D).....	18,555	1,083
Net income—Note F		
Fiscal year (see Appendix B).....	215,765	185,609
TOTALS.....	\$21,864,644	\$19,424,602

Statement of Income and Expenses

Appendix B

International Bank for
Reconstruction and Development

For the fiscal years ended June 30, 1974 and June 30, 1973

Expressed in United States currency (in thousands)—see Notes to Financial Statements, Appendix G

	July 1-June 30	
	1973/74	1972/73
Income		
Income from investments ⁽¹⁾	\$267,387	\$214,615
Income from loans:		
Interest and commissions.....	610,483	499,827
Commitment charges.....	43,851	37,250
Other income ⁽²⁾	7,622	6,309
TOTAL INCOME	\$929,343	\$758,001
Less—amount equivalent to commissions appropriated to Special Reserve—Note D.....	53	109
Total Income Less Reserve Deduction	\$929,290	\$757,892
Expenses		
Administrative expenses ⁽³⁾	\$ 91,020	\$ 78,567
Interest on borrowings.....	614,710	487,188
Bond issuance and other financial expenses.....	7,795	6,509
Discount on sales of loans.....	—	19
TOTAL EXPENSES	\$713,525	\$572,283
Net Income—Note F	\$215,765	\$185,609

⁽¹⁾ Net of capital loss \$23,181,000—1974 (\$3,234,000—1973) resulting from the sale of investments.

⁽²⁾ Includes net capital gain of \$7,402,000—1974 (\$5,528,000—1973) resulting from the repurchase of obligations of the Bank prior to maturity.

⁽³⁾ All administrative expenses of the Bank and the International Development Association and a portion of the expenses of the International Finance Corporation are paid by the Bank. A "management fee" is charged to the Association and a "service and support fee" to the Corporation representing their respective shares of the costs. The administrative expenses shown are net of the "management fee" (\$43,180,000—1974, \$30,884,000—1973) and "service and support fee" (\$1,534,000—1974, \$1,460,000—1973).

Statement of Changes in Supplemental Reserve against Losses on Loans and from Currency Devaluations

For the fiscal years ended June 30, 1974 and June 30, 1973

Expressed in United States currency (in thousands)—see Notes to Financial Statements, Appendix G

	July 1-June 30	
	1973/74	1972/73
Balance at beginning of period.....	\$1,457,817	\$1,304,352
Add—allocation of net income of previous fiscal year—Note F.....	75,609	72,646
Adjustment as a result of currency devaluations and revaluations during the period—Note F.....	(53,776)	80,819
Balance at end of period.....	\$1,479,650	\$1,457,817

Statement of Changes in Financial Position

Appendix C

International Bank for
Reconstruction and Development

For the fiscal years ended June 30, 1974 and June 30, 1973

Expressed in United States currency (in thousands)—see Notes to Financial Statements, Appendix G

	July 1-June 30	
	1973/74	1972/73
Funds Provided		
Net income (see Appendix B)	\$ 215,765	\$ 185,609
Items not requiring or providing cash	16,595	18,635
Cash provided by operations	\$ 232,360	\$ 204,244
Borrowings	1,908,485	1,694,289
Capital subscriptions and maintenance of value adjustments	58,649	100,446
Increase in capital subscriptions as a result of the United States dollar devaluation	—	257,539
Repayments of loans to the Bank	486,746	455,269
Sales of loans	27,245	24,759
Adjustment of loans outstanding as a result of currency devaluations and revaluations	266,687	(1,101,054)
Other (including payable for investment securities purchased, and sold under agreements to repurchase \$354,267—1974, \$ Nil—1973)	373,394	109
TOTALS	<u>\$3,353,566</u>	<u>\$1,635,601</u>
Funds Used		
Disbursements on loans	\$1,608,496	\$1,208,947
Retirement of borrowings	863,431	767,911
Adjustment of borrowings as a result of currency devaluations and revaluations	276,805	(1,004,573)
Payments on transfers to International Development Association	93,893	56,739
Exchange adjustments as a result of currency devaluations and revaluations—Notes A and F	53,776	(80,819)
Other (including receivable from sales of investment securities \$121,733—1974, \$ Nil—1973)	115,564	171,580
TOTALS	<u>\$3,011,965</u>	<u>\$1,119,785</u>
Increase in Unrestricted Currency and Investments—Note C	<u>\$ 341,601</u>	<u>\$ 515,816</u>

Statement of Subscriptions to Capital Stock and Voting Power

June 30, 1974

Expressed in thousands of units of currency— see Notes to Financial Statements, Appendix G

Member	Subscriptions ⁽¹⁾		Amounts paid in ⁽²⁾			Amounts subject to call (Note G)		Voting power	
	Shares	Percent of total	Amounts expressed in United States dollars of the weight and fineness in effect on July 1, 1944	Expressed in United States dollars of the weight and fineness in effect on July 1, 1944	Expressed in current United States dollars	Expressed in United States dollars of the weight and fineness in effect on July 1, 1944	Expressed in current United States dollars	Number of votes	Percent of total
Afghanistan	300	.12	\$ 30,000	\$ 3,000	\$ 3,619	\$ 27,000	\$ 32,571	550	.19
Algeria	800	.32	80,000	8,000	9,651	72,000	86,857	1,050	.37
Argentina	3,733	1.48	373,300	37,330	45,033	335,970	405,297	3,983	1.41
Australia ⁽²⁾	5,330	2.11	533,000	53,300	64,298	479,700	578,685	5,580	1.97
Austria ⁽²⁾	2,304	.91	230,400	23,040	27,794	207,360	250,148	2,554	.90
Bahamas	171	.07	17,100	1,710	2,063	15,390	18,566	421	.15
Bahrain	85	.03	8,500	850	1,025	7,650	9,229	335	.12
Bangladesh	1,067	.42	106,700	10,670	12,872	96,030	115,846	1,317	.47
Belgium ⁽²⁾	5,545	2.20	554,500	55,450	66,892	499,050	602,028	5,795	2.05
Bolivia ⁽²⁾	210	.08	21,000	2,100	2,533	18,900	22,800	460	.16
Botswana	43	.02	4,300	430	519	3,870	4,669	293	.10
Brazil ⁽²⁾	3,733	1.48	373,300	37,330	45,033	335,970	405,297	3,983	1.41
Burma	507	.20	50,700	5,070	6,116	45,630	55,046	757	.27
Burundi	150	.06	15,000	1,500	1,810	13,500	16,286	400	.14
Cameroon	200	.08	20,000	2,000	2,413	18,000	21,714	450	.16
Canada	9,418	3.73	941,800	94,180	113,614	847,620	1,022,525	9,668	3.41
Central African Republic	100	.04	10,000	1,000	1,206	9,000	10,857	350	.12
Chad	100	.04	10,000	1,000	1,206	9,000	10,857	350	.12
Chile	933	.37	93,300	9,330	11,255	83,970	101,297	1,183	.42
China	7,500	2.97	750,000	75,000	90,476	675,000	814,285	7,750	2.74
Colombia	933	.37	93,300	9,330	11,255	83,970	101,297	1,183	.42
Congo, People's Republic of	100	.04	10,000	1,000	1,206	9,000	10,857	350	.12
Costa Rica	107	.04	10,700	1,070	1,291	9,630	11,617	357	.13
Cyprus	222	.09	22,200	2,220	2,678	19,980	24,103	472	.17
Dahomey	100	.04	10,000	1,000	1,206	9,000	10,857	350	.12
Denmark	2,211	.88	221,100	22,110	26,672	198,990	240,051	2,461	.87
Dominican Republic	143	.06	14,300	1,430	1,725	12,870	15,526	393	.14
Ecuador	181	.07	18,100	1,810	2,183	16,290	19,651	431	.15
Egypt, Arab Republic of	1,421	.56	142,100	14,210	17,142	127,890	154,280	1,671	.59
El Salvador	120	.05	12,000	1,200	1,448	10,800	13,029	370	.13
Equatorial Guinea	64	.03	6,400	640	772	5,760	6,949	314	.11
Ethiopia	114	.05	11,400	1,140	1,375	10,260	12,377	364	.13
Fiji	111	.04	11,100	1,110	1,339	9,990	12,051	361	.13
Finland	1,621	.64	162,100	16,210	19,555	145,890	175,994	1,871	.66
France ⁽²⁾	12,792	5.07	1,279,200	127,920	154,316	1,151,280	1,388,845	13,042	4.60
Gabon	120	.05	12,000	1,200	1,448	10,800	13,029	370	.13
Gambia, The	53	.02	5,300	530	639	4,770	5,754	303	.11
Germany, Fed. Republic of ⁽²⁾	13,653	5.41	1,365,300	136,530	164,703	1,228,770	1,482,325	13,903	4.91
Ghana ⁽²⁾	734	.29	73,400	7,340	8,855	66,060	79,691	984	.35
Greece ⁽²⁾	736	.29	73,600	7,360	8,879	66,240	79,909	986	.35
Guatemala	123	.05	12,300	1,230	1,484	11,070	13,354	373	.13
Guinea	200	.08	20,000	2,000	2,413	18,000	21,714	450	.16
Guyana	171	.07	17,100	1,710	2,063	15,390	18,566	421	.15
Haiti	150	.06	15,000	1,500	1,810	13,500	16,286	400	.14
Honduras ⁽²⁾	84	.03	8,400	840	1,013	7,560	9,120	334	.12
Iceland	184	.07	18,400	1,840	2,220	16,560	19,977	434	.15
India	9,000	3.57	900,000	90,000	108,571	810,000	977,142	9,250	3.27
Indonesia	2,200	.87	220,000	22,000	26,540	198,000	238,857	2,450	.86
Iran	1,580	.63	158,000	15,800	19,060	142,200	171,543	1,830	.65
Iraq	698	.28	69,800	6,980	8,420	62,820	75,783	948	.33
Ireland	1,032	.41	103,200	10,320	12,450	92,880	112,046	1,282	.45
Israel	1,108	.44	110,800	11,080	13,366	99,720	120,297	1,358	.48
Italy ⁽¹⁾	6,660	2.64	666,000	66,600	80,343	599,400	723,085	6,910	2.44
Ivory Coast	365	.14	36,500	3,650	4,403	32,850	39,629	615	.22
Jamaica	446	.18	44,600	4,460	5,380	40,140	48,423	696	.25
Japan ⁽²⁾	10,230	4.06	1,023,000	102,300	123,409	920,700	1,110,685	10,480	3.70
Jordan	187	.07	18,700	1,870	2,256	16,830	20,303	437	.15
Kenya	400	.16	40,000	4,000	4,825	36,000	43,429	650	.23
Khmer Republic	214	.08	21,400	2,140	2,582	19,260	23,234	464	.16
Korea	682	.27	68,200	6,820	8,227	61,380	74,046	932	.33
Kuwait	694	.28	69,400	6,940	8,372	62,460	75,348	944	.33
Laos	100	.04	10,000	1,000	1,206	9,000	10,857	350	.12
Lebanon	90	.04	9,000	900	1,086	8,100	9,771	340	.12
Lesotho	43	.02	4,300	430	519	3,870	4,669	293	.10
Liberia ⁽²⁾	213	.08	21,300	2,130	2,570	19,170	23,126	463	.16

Appendix D

International Bank for
Reconstruction and Development

Member	Subscriptions ⁽¹⁾		Amounts paid in ⁽²⁾			Amounts subject to call (Note G)		Voting power	
	Shares	Percent of total	Amounts expressed in United States dollars of the weight and fineness in effect on July 1, 1944	Expressed in United States dollars of the weight and fineness in effect on July 1, 1944	Expressed in current United States dollars	Expressed in United States dollars of the weight and fineness in effect on July 1, 1944	Expressed in current United States dollars	Number of votes	Percent of total
Libyan Arab Republic	200	.08	\$ 20,000	\$ 2,000	\$ 2,413	\$ 18,000	\$ 21,714	450	.16
Luxembourg ⁽²⁾	200	.08	20,000	2,000	2,413	18,000	21,714	450	.16
Malagasy Republic	219	.09	21,900	2,190	2,642	19,710	23,777	469	.17
Malawi	150	.06	15,000	1,500	1,810	13,500	16,286	400	.14
Malaysia	1,587	.63	158,700	15,870	19,145	142,830	172,303	1,837	.65
Mali	173	.07	17,300	1,730	2,087	15,570	18,783	423	.15
Mauritania	100	.04	10,000	1,000	1,206	9,000	10,857	350	.12
Mauritius	188	.07	18,800	1,880	2,268	16,920	20,411	438	.15
Mexico ⁽²⁾	2,280	.90	228,000	22,800	27,505	205,200	247,543	2,530	.89
Morocco	960	.38	96,000	9,600	11,581	86,400	104,228	1,210	.43
Nepal	112	.04	11,200	1,120	1,351	10,080	12,160	362	.13
Netherlands ⁽²⁾	5,923	2.35	592,300	59,230	71,452	533,070	643,068	6,173	2.18
New Zealand	1,716	.68	171,600	17,160	20,701	154,440	186,308	1,966	.69
Nicaragua	91	.04	9,100	910	1,098	8,190	9,880	341	.12
Niger	100	.04	10,000	1,000	1,206	9,000	10,857	350	.12
Nigeria ⁽²⁾	1,152	.46	115,200	11,520	13,897	103,680	125,074	1,402	.50
Norway ⁽²⁾	2,048	.81	204,800	20,480	24,706	184,320	222,354	2,298	.81
Oman	60	.02	6,000	600	724	5,400	6,514	310	.11
Pakistan	2,000	.79	200,000	20,000	24,127	180,000	217,143	2,250	.79
Panama ^{(1) (2)}	176	.07	17,600	1,760	2,123	15,840	19,108	426	.15
Paraguay	60	.02	6,000	600	724	5,400	6,514	310	.11
Peru	735	.29	73,500	7,350	8,867	66,150	79,800	985	.35
Philippines	1,322	.52	132,200	13,220	15,948	118,980	143,531	1,572	.56
Portugal	800	.32	80,000	8,000	9,651	72,000	86,857	1,050	.37
Qatar	171	.07	17,100	1,710	2,063	15,390	18,566	421	.15
Romania	1,621	.64	162,100	16,210	19,555	145,890	175,994	1,871	.66
Rwanda ⁽²⁾	150	.06	15,000	1,500	1,810	13,500	16,286	400	.14
Saudi Arabia	1,143	.45	114,300	11,430	13,789	102,870	124,097	1,393	.49
Senegal	333	.13	33,300	3,330	4,017	29,970	36,154	583	.21
Sierra Leone	150	.06	15,000	1,500	1,810	13,500	16,286	400	.14
Singapore	320	.13	32,000	3,200	3,860	28,800	34,743	570	.20
Somalia	150	.06	15,000	1,500	1,810	13,500	16,286	400	.14
South Africa	2,133	.85	213,300	21,330	25,731	191,970	231,583	2,383	.84
Spain	3,371	1.34	337,100	33,710	40,666	303,390	365,994	3,621	1.28
Sri Lanka	827	.33	82,700	8,270	9,976	74,430	89,789	1,077	.38
Sudan	600	.24	60,000	6,000	7,238	54,000	65,143	850	.30
Swaziland	68	.03	6,800	680	820	6,120	7,383	318	.11
Sweden ⁽²⁾	2,773	1.10	277,300	27,730	33,452	249,570	301,068	3,023	1.07
Syrian Arab Republic ⁽¹⁾	400	.16	40,000	4,000	4,825	36,000	43,429	650	.23
Tanzania	350	.14	35,000	3,500	4,222	31,500	38,000	600	.21
Thailand	1,143	.45	114,300	11,430	13,789	102,870	124,097	1,393	.49
Togo	150	.06	15,000	1,500	1,810	13,500	16,286	400	.14
Trinidad and Tobago	535	.21	53,500	5,350	6,454	48,150	58,086	785	.28
Tunisia	373	.15	37,300	3,730	4,500	33,570	40,497	623	.22
Turkey	1,286	.51	128,600	12,860	15,514	115,740	139,623	1,536	.54
Uganda ⁽²⁾	333	.13	33,300	3,330	4,017	29,970	36,154	583	.21
United Arab Emirates	128	.05	12,800	1,280	1,544	11,520	13,897	378	.13
United Kingdom ⁽²⁾	26,000	10.31	2,600,000	260,000	313,651	2,340,000	2,822,856	26,250	9.27
United States	64,730	25.66	6,473,000	647,300	780,869	5,825,700	7,027,825	64,980	22.94
Upper Volta	100	.04	10,000	1,000	1,206	9,000	10,857	350	.12
Uruguay	411	.16	41,100	4,110	4,958	36,990	44,623	661	.23
Venezuela	1,972	.78	197,200	19,720	23,789	177,480	214,103	2,222	.78
Viet-Nam	543	.22	54,300	5,430	6,550	48,870	58,954	793	.28
Western Samoa	17	.01	1,700	170	205	1,530	1,846	267	.09
Yemen Arab Republic	85	.03	8,500	850	1,025	7,650	9,229	335	.12
Yemen, People's Dem. Rep. of	248	.10	24,800	2,480	2,992	22,320	26,926	498	.18
Yugoslavia	1,178	.47	117,800	11,780	14,211	106,020	127,897	1,428	.50
Zaire ⁽²⁾	960	.38	96,000	9,600	11,581	86,400	104,228	1,210	.43
Zambia ^{(1) (2)}	533	.21	53,300	5,330	6,430	47,970	57,869	783	.28
TOTALS	252,256	100.00	\$25,225,600	\$2,522,560	\$3,043,087	\$22,703,040	\$27,387,780	283,256	100.00

Amounts in these notes are expressed in current United States dollars.

⁽¹⁾ The equivalent of \$18,421,000 has been received from members on account of increases in subscriptions which are in process of completion: Italy \$18,217,000, Panama \$54,000, Syrian Arab Republic \$25,000 and Zambia \$125,000.

⁽²⁾ Amounts aggregating the equivalent of \$16,276,000 receivable and of \$26,708,000 payable as a result of devaluations and revaluations, respectively, of member currencies, are included in or excluded from the "Amounts paid in" column.

General: The equivalent of \$134,000 from Barbados has been received on account of its capital subscription pending admission to membership.

Summary Statement of Loans

June 30, 1974 and June 30, 1973

Expressed in United States currency (in thousands)—see Notes to Financial Statements, Appendix G

Members liable as borrower or guarantor ⁽¹⁾	Effective loans held by Bank			Loans approved but not yet effective ⁽⁴⁾
	Disbursed portion ⁽²⁾	Undisbursed portion ⁽³⁾	Total	
Algeria	\$ 7,614	\$ 24,500	\$ 32,114	\$ 157,500
Argentina	358,095	132,915	491,010	—
Australia	118,735	18,068	136,803	10,800
Austria	45,829	—	45,829	—
Belgium	7,274	—	7,274	—
Bolivia ⁽⁵⁾	23,412	—	23,412	—
Botswana	31,134	2,526	33,660	9,500
Brazil	825,166	734,196	1,559,362	117,000
Burma	7,688	—	7,688	—
Cameroon	28,014	35,706	63,720	27,600
Chile	148,947	19,947	168,894	5,250
China	253,083	38,417	291,500	—
Colombia	601,222	330,964	932,186	—
Congo, People's Republic of	33,321	—	33,321	—
Costa Rica	77,575	30,695	108,270	23,450
Cyprus	37,010	14,937	51,947	14,000
Denmark	20,814	—	20,814	—
Dominican Republic	25,642	—	25,642	—
Ecuador	40,949	22,625	63,574	23,200
Egypt, Arab Republic of	4,408	—	4,408	—
El Salvador	28,605	34,285	62,890	17,000
Ethiopia	79,974	13,342	93,316	—
Fiji	8,732	9,547	18,279	—
Finland	124,583	16,509	141,092	—
France	1,544	—	1,544	—
Gabon	18,569	9,495	28,064	—
Ghana	47,402	—	47,402	—
Greece	57,366	68,470	125,836	30,000
Guatemala	33,180	17,846	51,026	—
Guinea	86,647	—	86,647	—
Guyana	8,350	11,172	19,522	12,900
Honduras	49,495	34,825	84,320	—
Iceland	27,962	16,677	44,639	—
India	529,703	83,495	613,198	52,000
Indonesia	—	—	—	47,975
Iran	357,633	382,527	740,160	189,813
Iraq	24,398	116,282	140,680	—
Ireland	39,760	83,572	123,332	—
Israel	103,107	60,024	163,131	35,000
Italy	112,415	—	112,415	—
Ivory Coast	37,556	59,108	96,664	27,600
Jamaica	45,474	26,180	71,654	20,500
Japan	536,067	—	536,067	—
Kenya	57,305	66,333	123,638	10,400
Kenya, Tanzania and Uganda ⁽⁶⁾	124,700	87,516	212,216	—
Korea	189,737	301,231	490,968	12,975
Lebanon	13,428	36,449	49,877	—
Liberia	22,739	5,190	27,929	—
Malagasy Republic	11,625	15,204	26,829	—
Malaysia	248,605	206,539	455,144	44,600
Mauritius	—	10,000	10,000	5,000
Mexico	984,604	633,012	1,617,616	25,000
Morocco	140,350	172,412	312,762	82,000
New Zealand	76,130	—	76,130	—
Nicaragua	42,389	44,087	86,476	—
Nigeria	313,768	177,920	491,688	74,000
Norway	62,385	—	62,385	—
Oman	—	—	—	8,139
Pakistan	376,094	71,558	447,652	35,000
Panama	37,394	67,681	105,075	—
Paraguay	16,402	2,498	18,900	—
Peru	148,823	72,857	221,680	26,000
Philippines	169,021	139,204	308,225	81,475
Portugal	55,505	—	55,505	—
Romania	—	—	—	60,000
Senegal	3,313	15,918	19,231	3,000
Sierra Leone	10,848	1,016	11,864	—
Singapore	94,868	38,647	133,515	—
South Africa	2,123	—	2,123	—
Spain	266,987	150,683	417,670	—
Sri Lanka	34,495	19,567	54,062	—
Sudan	90,874	—	90,874	—
Syrian Arab Republic	—	—	—	88,000
Tanzania	40,972	4,377	45,349	26,000
Thailand	253,606	177,731	431,337	66,804

Appendix E

International Bank for
Reconstruction and Development

Members liable as borrower or guarantor ⁽¹⁾	Effective loans held by Bank			Loans approved but not yet effective ⁽⁴⁾
	Disbursed portion ⁽²⁾	Undisbursed portion ⁽³⁾	Total	
Trinidad and Tobago.....	\$ 27,830	\$ 24,981	\$ 52,811	\$ 18,000
Tunisia.....	81,341	67,007	148,348	39,600
Turkey.....	190,412	279,443	469,855	228,000
United Kingdom.....	58,615	—	58,615	—
Uruguay.....	76,890	16,909	93,799	—
Venezuela.....	256,568	78,054	334,622	—
Yugoslavia.....	431,241	320,419	751,660	80,000
Zambia.....	104,596	162,347	266,943	—
Sub-totals members ⁽¹⁾	\$10,171,037	\$5,915,642	\$16,086,679	\$1,835,081
International Finance Corporation.....	173,503	227,229	400,732	—
Net amounts that will be due from member countries for maintenance of value of currencies on loan—Note B.....	144,958	—	144,958	—
Totals June 30, 1974.....	\$10,489,498	\$6,142,871	\$16,632,369	\$1,835,081
Totals June 30, 1973.....	\$ 9,673,600	\$4,955,278	\$14,628,878	\$1,324,204

Summary of Currencies Repayable on Effective Loans

Currency	Amount ⁽²⁾	
	1974	1973
Argentine pesos.....	\$ 89	\$ 137
Australian dollars.....	125,413	107,900
Austrian schillings.....	47,047	45,574
Belgian francs.....	206,002	187,275
Brazilian cruzeiros.....	34,300	24,612
Burmese kyats.....	1,755	941
Canadian dollars.....	351,000	304,335
Danish kroner.....	30,490	29,565
Deutsche mark.....	2,697,941	2,706,802
Finnish markkaa.....	27,043	21,610
French francs.....	176,560	199,479
Ghanaian cedis.....	3,140	2,517
Greek drachmas.....	1,102	265
Indian rupees.....	44,787	45,107
Iranian rials.....	17,699	16,533
Iraqi dinars.....	2,778	2,540
Irish pounds.....	12,532	12,798
Israeli pounds.....	—	11
Italian lire.....	125,200	117,802
Japanese yen.....	1,750,945	1,525,959
Kuwaiti dinars.....	418,997	286,155
Lebanese pounds.....	27,269	4,970
Libyan dinars.....	131,290	33,972
Luxembourg francs.....	3,421	3,861
Malaysian dollars.....	26,503	21,842
Mexican pesos.....	37,084	33,478
Netherlands guilders.....	223,415	237,879
Norwegian kroner.....	39,104	35,875
Portuguese escudos.....	11,937	11,595
Pounds sterling.....	234,323	248,520
Singapore dollars.....	4,389	4,295
South African rand.....	47,048	41,053
Spanish pesetas.....	53,359	49,144
Sri Lanka rupees.....	217	232
Sudanese pounds.....	2,713	3,199
Swedish kronor.....	90,707	70,947
Swiss francs.....	581,678	465,881
New Taiwan dollars.....	18,582	15,349
United Arab Emirates dirhams.....	76,222	—
United States dollars.....	2,637,853	2,696,104
Venezuelan bolivars.....	22,606	—
Disbursed portion of effective loans held by Bank.....	\$10,344,540	\$ 9,616,113
Add—net amounts that will be due from member countries for maintenance of value of currencies on loan—Note B.....	144,958	57,487
	\$10,489,498	\$ 9,673,600
Add—undisbursed portion of effective loans held by Bank.....	6,142,871	4,955,278
Effective loans held by Bank.....	\$16,632,369	\$14,628,878

⁽¹⁾ Loans are made (a) to the member or (b) to a political subdivision or a public or a private enterprise in the territories of the member with the member's guarantee. In some instances loans were made, with the guarantee of a member, in territories which at the time were included in that member's membership but which

subsequently became independent and members of the Bank in their own right (except Malta which although independent is not a member of the Bank). In all these instances (except in the case of a loan to the Public Utilities Board of Singapore guaranteed by Malaysia) these territories have assumed liability as a borrower or guarantor. In order to avoid double counting, liabilities for these loans are shown under the name of the original member (whose guarantee continues unaffected). These loans are shown below together with an indication of the member under whose name they are listed.

GUARANTOR Borrower	Amount ⁽²⁾	
	1974	1973
	(in thousands)	
BELGIUM		
*Burundi and Rwanda.....	\$ 87	\$ 514
Zaire.....	7,187	11,665
FRANCE		
Algeria.....	117	841
Mauritania.....	1,427	1,690
MALAYSIA		
Singapore (Public Utilities Board).....	5,744	6,246
UNITED KINGDOM		
Kenya.....	2,033	2,252
*Kenya, Tanzania and Uganda.....	13	103
Malta.....	22	26
Mauritius.....	2,019	2,093
Nigeria.....	10,354	13,271
*Southern Rhodesia and Zambia.....	20,542	24,912
Singapore.....	10,899	11,833
Swaziland.....	4,520	4,729
Trinidad and Tobago.....	1,347	2,115
Uganda.....	41	51
Zambia.....	1,793	2,635

*Loan made for joint benefit of territories listed (Southern Rhodesia is included in the membership of the United Kingdom).

Six loans have also been made to the International Finance Corporation.

⁽²⁾ The principal amounts of loans are repayable in amounts and currencies charged to the loan accounts at the time such amounts are withdrawn. These amounts are translated into United States dollars as described in Note A.

⁽³⁾ These amounts do not include \$34,545,000 (\$58,082,000—1973) of effective loans which the Bank has agreed to sell and \$11,000,000 (Nil—1973) grant participation. Of the undisbursed balance, the Bank has entered into irrevocable commitments to disburse \$19,924,000 (\$26,692,000—1973).

⁽⁴⁾ Agreements providing for these loans have been approved by the Bank, but the loans do not become effective and disbursements thereunder do not start until the loans and related agreements have been signed and the borrowers and guarantors, if any, take certain action and furnish certain documents to the Bank. This amount is net of \$1,219,000 (\$17,196,000—1973) of loans not yet effective which the Bank has agreed to sell. The total of effective and non-effective loans sold or agreed to be sold is the equivalent of \$2,499,254,000 (\$2,499,602,000—1973) and grant participation \$11,000,000 (Nil—1973).

⁽⁵⁾ One loan equivalent to \$23,250,000 is shown under Bolivia (Guarantor) but is also guaranteed by Argentina.

⁽⁶⁾ Loans shared by members shown.

Summary Statement of Borrowings

Appendix F

International Bank for
Reconstruction and Development

June 30, 1974 and June 30, 1973

Expressed in United States currency (in thousands)—see Notes to Financial Statements, Appendix G

Currency	Weighted average effective interest rates ⁽¹⁾		Due dates	Principal outstanding ⁽²⁾	
	1974 %	1973 %		1974	1973
Belgian francs.....	7.14	7.14	1977-1986	\$ 75,069	\$ 78,728
Canadian dollars.....	6.63	6.63	1976-1993	154,922	151,554
Deutsche mark.....	7.20	7.04	1974-1988	2,450,370 ⁽⁴⁾	2,590,839
French francs.....	7.16	7.16	1977-1987	31,050	36,045
Italian lire.....	6.67	6.38	1976-1988	92,760	68,600
Japanese yen.....	7.23	7.07	1974-1988	1,750,559 ⁽³⁾	1,769,279
Kuwaiti dinars.....	7.11	7.09	1974-1992	434,208	354,667
Lebanese pounds.....	6.76	6.76	1978	32,524	30,075
Libyan dinars.....	7.72	8.00	1975-1983	135,451	33,778
Netherlands guilders.....	6.87	6.82	1975-1988	184,426	190,813
Pounds sterling.....	6.55	6.53	1974-1982	44,628	49,119
Saudi Arabian riyals.....	8.00	—	1984	142,500 ⁽³⁾	—
Swedish kronor.....	6.58	5.91	1979-1992	34,050	18,487
Swiss francs.....	5.88	5.69	1975-1991	566,000	586,013
United Arab Emirates dirhams.....	8.00	—	1980-1989	75,950	—
United States dollars.....	6.27	5.92	1974-1996	3,712,987 ⁽³⁾	3,481,905
Venezuelan bolivares.....	7.49	—	1977-1987	23,256	—
Principal amounts at face value.....				\$9,940,710	\$9,439,902
Less—amounts receivable under contracts.....				290,705 ⁽³⁾	558,147
Principal amounts outstanding at face value.....				\$9,650,005	\$8,881,755
Less—net amounts of unamortized discounts and premiums.....				14,059	14,080
TOTALS.....				\$9,635,946	\$8,867,675

⁽¹⁾ The effective interest rates are computed at the dates of issue and include interest and discounts or premiums. For consistency, annual effective interest rates have been converted into semi-annual equivalents. The discounts or premiums are being amortized over the life of the issues by the "bonds outstanding method."

⁽²⁾ The following table shows the aggregate principal amount of maturities, sinking fund requirements, and in the case of certain Canadian issues, non-cumulative purchase fund requirements, each year for the five years following the date of this statement:

Period	Amount	
	1974 (in thousands)	1973
July 1, 1973 to June 30, 1974.....	\$ —	\$ 848,279
July 1, 1974 to June 30, 1975.....	985,497	1,049,327
July 1, 1975 to June 30, 1976.....	1,268,901	876,516
July 1, 1976 to June 30, 1977.....	836,898	852,513
July 1, 1977 to June 30, 1978.....	570,276	410,721
July 1, 1978 to June 30, 1979.....	687,943	—
TOTALS.....	\$4,349,515	\$4,037,356

⁽³⁾ The amounts shown include the following contracts to borrow for settlement on the dates indicated below:

Issues	Amount (in thousands)	Date of Settlement
Japanese yen:		
Serial Obligations of 1974 (¥ 33,600 million).....	\$118,205*	Various
Saudi Arabian riyals:		
8% Bonds of 1974, due 1984 (SRIs 250 million).....	71,250	August 1, 1974
(SRIs 250 million).....	71,250	September 1, 1974
United States dollars:		
8% Loan of 1974, due 1989-90.....	5,000	July 15, 1974
	5,000	August 15, 1974
	5,000	September 16, 1974
	5,000	October 15, 1974
	5,000	November 15, 1974
	5,000	December 16, 1974
TOTAL.....	\$290,705	

*The Bank has entered into an agreement with The Bank of Japan to borrow up to ¥ 40,800 million (US equivalent \$143.5 million) to be drawn down from time to time, at the option of the Bank, to replace five Serial Obligations maturing during the period from March 30, 1974 to February 19, 1975, at an interest rate to be determined at the time of each withdrawal. The Bank has made its first withdrawal of ¥ 7,200 million (US equivalent \$25.3 million) on April 1, 1974 at an interest rate of 8.19% per annum. An interest rate of 8.19% has been used to determine the effective interest rate of the undrawn portion.

⁽⁴⁾ The Bank has arranged to refinance at maturity, August 1, 1974, notes totalling DM 377.0 million (US equivalent \$147.9 million) by issuing new notes for the same aggregate amount maturing as follows: DM 76.5 million (US equivalent \$30.0 million) on August 1, 1978, DM 250.0 million (US equivalent \$98.1 million) on February 1, 1979, and DM 50.5 million (US equivalent \$19.8 million) on August 1, 1979.

June 30, 1974 and June 30, 1973

Note A—Translation of Currencies

The financial statements are expressed in terms of the current United States dollar having a par value of 0.736662 gram of fine gold. Asset and liability accounts in currencies other than United States dollars, are translated into dollars at market rates of exchange prevailing at the fiscal year-end, with the exception of buildings (and related depreciation) and deferred charges accounts which are translated at the historical exchange rates in effect when the buildings were acquired or the charges were incurred. Accounts for income and expense are translated at an average of the rates of exchange which prevailed during the fiscal year. Accounts relating to capital stock, which is expressed in terms of United States dollars of the weight and fineness in effect on July 1, 1944, are translated into current United States dollars on the basis of \$1.20635 per 1944 dollar. Translation adjustments other than those relating to maintenance of value of capital subscriptions (see Note B), have been reflected as adjustments to the Supplemental Reserve Against Losses on Loans and from Currency Devaluations (see Note F).

At June 30, 1973, the restricted currencies (see Note B) of certain members, which are not widely used in the Bank's operations, had been translated at the rates used by such members in making payments of capital subscriptions to the Bank. In these financial statements such amounts have been restated at the market rates of exchange at that date. As a result, an aggregate amount of \$37.4 million, which was included under the headings Due from Banks and Other Depositories, Receivable on Account of Subscribed Capital and Loans, is no longer shown under those headings and is shown as Exchange Adjustments on Capital Subscriptions under the heading Other Assets.

No representation is made that any currency held by the Bank is convertible into any other currency at any rate or rates.

Note B—Restricted Currencies and Maintenance of Value

The portion of the subscriptions to the capital stock (see Note G) of the Bank payable in the currencies of the respective members (such portion being hereinafter called "restricted currency") can be used for lending purposes only with the approval of the members concerned. The amounts of \$69,281,000 (\$74,084,000—1973) under the heading Due from Banks and Other Depositories and \$415,215,000 (\$438,939,000—1973) under the heading Receivable on Account of Subscribed Capital are subject to such restrictions.

Article II, Section 9 of the Articles of Agreement of the Bank provides for the maintenance, as of the time of subscription, of the value of restricted currency, requiring (i) the member to make additional payments to the Bank in the event that the par value of its currency is reduced or the foreign exchange value of its currency has, in the opinion of the Bank, depreciated to a significant extent in its territories, and (ii) the Bank to reimburse the member in the event that the par value of its currency is increased. On March 16, 1973, the Executive Directors resolved that, pending establishment of new par values, maintenance of value obligations be settled on the basis of central rates with all members which have established such central rates. These obligations of the members and the Bank become effective immediately upon the happening of those events with respect to holdings of restricted currency represented by currency balances and notes, whereas with respect to restricted currency out on loan, these obligations become effective only as and when such currency is recovered by the Bank. However, in several cases the Bank and the members concerned have agreed to make provisional settlements of such obligations by means of one or more payments over periods not exceeding five years. The aggregate amounts thus receivable \$1,485,000 (\$ Nil—1973) or payable \$26,619,000 (\$ Nil—1973) by the Bank are included in Amounts Required to Maintain Value of Currency Holdings under the headings Receivable on Account of Subscribed Capital and under Liabilities, respectively.

Where there are differences between market rates of exchange and the rates at which capital subscriptions of members have been paid

or are payable, they are shown as Exchange Adjustments on Capital Subscriptions under the heading Other Assets. The amount thus established, \$99,212,000, which consists of notional receivables \$134,465,000 and payables \$35,253,000, will become maintenance of value obligations if and when the provisions of Article II, Section 9 of the Articles of Agreement or the resolution of the Executive Directors described above, become applicable. In 1973, the notional receivables \$139,652,000 and payables \$70,501,000 were shown as assets and liabilities, respectively. The net amount has now been restated as Exchange Adjustments on Capital Subscriptions under the heading Other Assets and has also been increased by \$37,415,000 as a result of the restatement described in Note A. Under the present system of floating exchange rates, the timing of the establishment and settlement of maintenance of value obligations for most countries is uncertain in the absence of establishment of, or changes in, the par values or central rates of member countries.

Some members have converted part or all of the Bank's holdings of their restricted currencies into United States dollars to be used without restriction in the Bank's operations, subject to the right of the Bank or the members to reverse the transactions. Such dollars amounting to \$112,969,000 (\$103,691,000—1973) are not subject to the provisions of Article II, Section 9 and are included in the financial statements, where relevant, as "unrestricted."

Note C—Investments

The market value of securities is \$1,964,112,000; securities which are not traded in the market are included in the valuation at their cost of \$93,669,000. The item Investments includes securities purchased under agreements to resell amounting to \$15,000,000 and an amount of \$205,460,000 representing securities sold under agreements to repurchase. Settlement under these agreements will be effected within the next three months.

Note D—Special Reserve

Amounts of loan commissions have been set aside pursuant to Article IV, Section 6 of the Articles of Agreement, as a Special Reserve to be held in liquid form and to be used only for the purpose of meeting liabilities of the Bank on its borrowings and guarantees. The market value of investment securities set aside for this purpose is \$280,514,000.

Note E—Contributions to International Development Association

The Bank has authorized transfers by way of grants to the International Development Association totalling \$815,000,000 from net income for the fiscal years ended June 30, 1964 through June 30, 1973 (\$705,000,000—1972). Of this amount \$357,983,000 is payable as of June 30, 1974 (\$341,876,000—1973).

Note F—Net Income and Supplemental Reserve

Of the \$215,765,000 net income earned in the fiscal year ended June 30, 1974, in July 1974 the Executive Directors allocated \$115,765,000 to the Supplemental Reserve Against Losses on Loans and from Currency Devaluations and recommended to the Board of Governors that an amount of \$100,000,000 be transferred by way of grant to the International Development Association.

Of the \$185,609,000 net income earned in the fiscal year ended June 30, 1973, the Bank in September 1973 allocated \$75,609,000 to the Supplemental Reserve Against Losses on Loans and from Currency Devaluations and authorized the transfer of the balance of \$110,000,000 by way of grant to the International Development Association.

Consistent with past practice, the Supplemental Reserve Against Losses on Loans and from Currency Devaluations has been charged during the current fiscal year with \$53,776,000 (credited with \$80,819,000—1973) representing net translation adjustments as a result of currency devaluations and revaluations.

(continued)

June 30, 1974 and June 30, 1973

Note G—Capital Stock

In the Articles of Agreement, the capital stock of the Bank is expressed in terms of United States dollars of the weight and fineness in effect on July 1, 1944, and comprises 270,000 authorized shares of the par value of \$100,000 each, of which 252,256 shares have been subscribed (251,973—1973).

The uncalled portion of capital subscriptions is subject to call by the Bank only when required to meet the obligations of the Bank created by borrowing or by guaranteeing loans. As to \$24,344,693,000 (\$24,317,381,000—1973) the restriction on calls is imposed by the Articles of Agreement; as to \$3,043,087,000 (\$3,039,673,000—1973) by resolutions of the Board of Governors.

The portion of capital subscriptions paid in to the Bank is divided into two parts: \$417,278,000 (\$407,658,000—1973), which was initially paid in gold or United States dollars or converted by the subscribing members into United States dollars, may, under the Articles of Agreement, be freely used by the Bank in any of its operations, and the equivalent of \$2,625,809,000 (\$2,632,015,000—1973) paid in the currencies of the subscribing members which may, under the Articles of Agreement, be lent only with the consent of the member whose currency is involved.

Note H—Staff Retirement Plan

The Bank has a contributory retirement plan for its staff which also covers the staff of the International Finance Corporation. All contributions to the retirement Plan and all other assets and income of the Plan are held by the Bank separately from its other assets and can be used only for the benefit of the participants in the Plan and their beneficiaries. The Bank and the Corporation contribute the part of the cost and expenses of the Plan not provided by the contributions of participants. The contribution of the Bank during the fiscal year, which approximated its share of the actuarial cost of the Plan, amounted to \$11,316,000 (\$7,117,000—1973).

During 1973, amendments were made to the Plan to allow pensioners to elect to receive their pensions in the currency of their country of residence rather than in United States dollars and also to provide for additional annual cost-of-living increases in pensions. The above-mentioned contributions include \$1,780,000 paid by the Bank during the current fiscal year to cover increased liabilities arising from these amendments.

Report of Independent Accountants

1801 K STREET, N.W.
WASHINGTON, D.C. 20006
July 31, 1974

To
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C.

In our opinion, the accompanying financial statements (Appendices A through G) present fairly, in terms of United States currency, the financial position of International Bank for Reconstruction and Development at June 30, 1974 and 1973, the results of its operations and the changes in financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PRICE WATERHOUSE & CO.

Financial Statements Covered by the Foregoing Report

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Statement of Loans Approved during the Fiscal Year 1973/74

(US dollars)

GUARANTOR Purpose and borrower	Date of approval	Maturities	Interest rate	Principal amount
Algeria				
Ports.....	May 30, 1974	1978/1999	7¼%	\$ 70,000,000
Algeria (Guarantor)				
Power—Société Nationale de l'Electricité et du Gaz.....	May 30, 1974	1978/1994	7¼%	38,500,000
Railways—Société Nationale des Chemins de Fer Algériens.....	May 30, 1974	1978/1994	7¼%	49,000,000
Australia (Guarantor)				
Power—Papua New Guinea.....	May 28, 1974	1980/1994	7¼%	10,800,000
Botswana				
Industry (supplement).....	May 14, 1974	1975/1996	7¼%	5,500,000
Botswana (Guarantor)				
Development finance—The Botswana Development Corporation Limited.....	June 25, 1974	1978/1989	7¼%	4,000,000
Brazil (Guarantor)				
Power—Furnas-Centraís Eléctricas S.A.....	July 5, 1973	1980/2003	7¼%	125,000,000
Power—Companhia Hidro-Elétrica do São Francisco.....	June 4, 1974	1979/1994	7¼%	81,000,000
Water supply—Banco Nacional da Habitação y Companhia Mineira de Aguas e Esgótos (COMAG).....	June 4, 1974	1977/1997	7¼%	36,000,000
Cameroon				
Livestock.....	March 26, 1974	1980/1999	7¼%	11,600,000
Highways.....	July 3, 1973	1978/1998	7¼%	24,000,000
Cameroon (Guarantor)				
Railways—Régie Nationale des Chemins de Fer du Cameroun.....	June 27, 1974	1977/1999	7¼%	16,000,000
Chile				
Highways (supplement).....	February 5, 1974	1975/1988	7¼%	1,600,000
Chile (Guarantor)				
Power—Corporación de Fomento de la Producción y Empresa Nacional de Electricidad S.A. (supplement).....	February 5, 1974	1975/1997	7¼%	6,700,000
Technical assistance—Corporación de Fomento de la Producción.....	February 5, 1974	1978/1993	7¼%	5,250,000
Colombia				
Education.....	July 17, 1973	1983/2003	7¼%	21,200,000
Preinvestment studies.....	March 5, 1974	1979/1993	7¼%	8,000,000
Colombia (Guarantor)				
Railways—Ferrocarriles Nacionales de Colombia.....	August 7, 1973	1977/1998	7¼%	25,000,000
Costa Rica (Guarantor)				
Telecommunications—Instituto Costarricense de Electricidad.....	June 11, 1974	1978/1994	7¼%	23,500,000
Cyprus				
Irrigation.....	January 8, 1974	1981/1995	7¼%	14,000,000
Ecuador (Guarantor)				
Water supply—Empresa Municipal de Agua Potable de Guayaquil.....	June 25, 1974	1978/1999	7¼%	23,200,000
El Salvador				
Education.....	June 4, 1974	1984/2004	7¼%	17,000,000
Greece				
Irrigation.....	April 30, 1974	1980/1994	7¼%	30,000,000
Greece (Guarantor)				
Development finance—National Investment Bank for Industrial Development S.A.....	October 23, 1973	1975/1985	7¼%	15,000,000
Guyana				
Irrigation.....	June 13, 1974	1980/2004	7¼%	12,900,000
Honduras				
Education.....	December 20, 1973	1984/2003	7¼%	3,000,000
Iceland				
Fishing harbors rehabilitation.....	October 16, 1973	1978/1988	7¼%	7,000,000
Iceland (Guarantor)				
Power—Landsvirkjun.....	December 11, 1973	1978/1998	7¼%	10,000,000
India				
Agriculture.....	June 18, 1974	1981/1999	7¼%	52,000,000
Indonesia				
Railways.....	June 4, 1974	1979/1994	7¼%	48,000,000
Iran				
Ports.....	May 16, 1974	1980/1991	7¼%	65,000,000
Urban transport.....	August 7, 1973	1977/1988	7¼%	42,000,000
Iran (Guarantor)				
Development finance—Industrial and Mining Development Bank of Iran.....	February 5, 1974	1979/1991	7¼%	75,000,000
Development finance—Industrial Credit Bank.....	May 16, 1974	1976/1989	7¼%	25,000,000
Power—Iran Power Generation and Transmission Company (Tavani) ..	May 16, 1974	1978/1992	7¼%	58,000,000

Appendix H

International Bank for Reconstruction
and Development

GUARANTOR Purpose and borrower	Date of approval	Maturities	Interest rate	Principal amount
Ireland				
Education.....	January 15, 1974	1979/1993	7¼%	\$ 25,000,000
Israel (Guarantor)				
Agricultural credit—Israel Bank of Agriculture, Limited.....	March 26, 1974	1977/1989	7¼%	35,000,000
Ivory Coast				
Telecommunications.....	April 30, 1974	1979/1994	7¼%	25,000,000
Ivory Coast (Guarantor)				
Agriculture—Société pour le Développement et l'Exploitation du Palmier à Huile & Société Palmivoire.....	June 27, 1974	1979/1989	7¼%	2,600,000
Jamaica				
Urbanization.....	May 7, 1974	1978/1999	7¼%	15,000,000
Jamaica (Guarantor)				
Agricultural credit—Jamaica Development Bank.....	May 28, 1974	1978/1990	7¼%	5,500,000
Kenya				
Highways.....	August 14, 1973	1979/1998	7¼%	29,000,000
Kenya (Guarantor)				
Tea production—Kenya Tea Development Authority.....	May 14, 1974	1981/1994	7¼%	10,400,000
Development finance—Industrial Development Bank Limited.....	November 20, 1973	1976/1990	7¼%	5,000,000
Korea, Republic of				
Seed production.....	October 23, 1973	1980/1998	7¼%	7,000,000
Highways.....	January 8, 1974	1981/1998	7¼%	47,000,000
Tourism.....	December 11, 1973	1981/1998	7¼%	25,000,000
Korea, Republic of (Guarantor)				
Agricultural industries—Agriculture and Fishery Development Corporation.....	May 21, 1974	1979/1994	7¼%	13,000,000
Liberia (Guarantor)				
Power—Public Utilities Authority (supplement).....	October 16, 1973	1975/1990	7¼%	2,900,000
Malaysia				
Land settlement.....	February 5, 1974	1982/1996	7¼%	40,000,000
Area development.....	March 26, 1974	1980/1998	7¼%	45,000,000
Education.....	March 26, 1974	1979/1999	7¼%	19,000,000
Highways.....	August 7, 1973	1977/1997	7¼%	19,500,000
Mauritius				
Ports.....	April 2, 1974	1979/1999	7¼%	10,000,000
Mauritius (Guarantor)				
Development finance—Development Bank of Mauritius.....	April 16, 1974	1976/1996	7¼%	5,000,000
Mexico (Guarantor)				
Irrigation—Nacional Financiera S.A.....	February 19, 1974	1979/1999	7¼%	77,000,000
Irrigation—Nacional Financiera S.A.....	February 19, 1974	1979/1999	7¼%	47,000,000
Industry—Siderúrgica Lázaro Cárdenas—Las Truchas S.A. and Nacional Financiera S.A.....	September 4, 1973	1978/1988	7¼%	70,000,000
Aviation—Nacional Financiera S.A.....	June 6, 1974	1978/1998	7¼%	25,000,000
Highways—Nacional Financiera S.A.....	February 12, 1974	1979/1999	7¼%	90,000,000
Morocco				
Irrigation.....	June 20, 1974	1979/1999	7¼%	32,000,000
Highways.....	December 4, 1973	1978/1993	7¼%	29,000,000
Morocco (Guarantor)				
Industry—Maroc-Phosphore.....	May 30, 1974	1978/1988	7¼%	50,000,000
Power—Office National d'Electricité.....	September 11, 1973	1977/1993	7¼%	25,000,000
Nicaragua (Guarantor)				
Agricultural credit—Banco Central de Nicaragua.....	November 13, 1973	1979/1989	7¼%	8,500,000
Nigeria				
Agriculture.....	June 20, 1974	1979/1994	7¼%	20,000,000
Nigeria (Guarantor)				
Ports—Nigerian Ports Authority.....	July 3, 1973	1978/1998	7¼%	55,000,000
Oman				
Education.....	April 16, 1974	1979/1994	7¼%	5,700,000
Technical assistance.....	April 16, 1974	1977/1984	7¼%	2,750,000
Pakistan				
Development finance.....	December 20, 1973	1977/1993	7¼%	25,000,000
Pakistan (Guarantor)				
Industry—Pakarab Fertilizers Limited.....	May 7, 1974	1978/1989	7¼%	35,000,000
Panama (Guarantor)				
Power—Instituto de Recursos Hidráulicos y Electrificación.....	November 27, 1973	1978/1994	7¼%	30,000,000

(continued)

Statement of Loans Approved during the Fiscal Year 1973/74 (continued)

Appendix H

International Bank for Reconstruction
and Development

(US dollars)

GUARANTOR Purpose and borrower	Date of approval	Maturities	Interest rate	Principal amount
Peru				
Education.....	November 13, 1973	1984/1998	7¼ %	\$ 24,000,000
Highways.....	April 23, 1974	1980/1999	7¼ %	26,000,000
Peru (Guarantor)				
Agricultural credit—Banco de Fomento Agropecuario del Perú.....	August 14, 1973	1978/1991	7¼ %	25,000,000
Philippines				
Irrigation.....	April 30, 1974	1981/1999	7¼ %	9,500,000
Development finance.....	June 11, 1974	1979/1992	7¼ %	50,000,000
Highways.....	December 4, 1973	1978/1997	7¼ %	68,000,000
Ports.....	October 16, 1973	1978/1998	7¼ %	6,100,000
Philippines (Guarantor)				
Agricultural credit—Central Bank of the Philippines.....	June 11, 1974	1978/1988	7¼ %	22,000,000
Romania (Guarantor)				
Fertilizers—Banca de Investitii.....	June 27, 1974	1979/1989	7¼ %	60,000,000
Senegal (Guarantor)				
Development finance—Société Financière Sénégalaise pour le Développement Industriel et Touristique.....	May 21, 1974	1977/1993	7¼ %	3,000,000
Industry—Dakarmarine.....	September 11, 1973	1977/1983	7¼ %	600,000
Singapore				
Education.....	February 5, 1974	1980/1994	7¼ %	19,500,000
Water supply.....	July 5, 1973	1978/1993	7¼ %	12,000,000
Syrian Arab Republic				
Irrigation.....	March 19, 1974	1982/2004	7¼ %	63,000,000
Syrian Arab Republic (Guarantor)				
Power—Etablissement Public de l'Electricité.....	April 16, 1974	1978/1999	7¼ %	25,000,000
Tanzania				
Agriculture.....	May 21, 1974	1979/1994	7¼ %	21,000,000
Tanzania (Guarantor)				
Power—Tanzania Electric Supply Company Limited (Supplement).....	June 6, 1974	1976/1996	7¼ %	5,000,000
Thailand (Guarantor)				
Development finance—Industrial Finance Corporation of Thailand.....	May 21, 1974	1977/1989	7¼ %	12,000,000
Power—Electricity Generating Authority of Thailand.....	April 2, 1974	1980/2000	7¼ %	75,000,000
Water supply—Metropolitan Water Works Authority.....	July 5, 1973	1979/1999	7¼ %	55,000,000
Trinidad and Tobago (Guarantor)				
Telecommunications—Trinidad and Tobago Telephone Company Limited.....	May 16, 1974	1978/1994	7¼ %	18,000,000
Tunisia				
Hotel training.....	June 11, 1974	1979/1999	7¼ %	5,600,000
Urbanization.....	August 7, 1973	1977/1995	7¼ %	11,000,000
Tunisia (Guarantor)				
Water supply—Société Nationale d'Exploitation et de Distribution des Eaux.....	May 28, 1974	1979/1999	7¼ %	23,000,000
Turkey				
Industry.....	January 15, 1974	1979/1989	7¼ %	40,000,000
Turkey (Guarantor)				
Development finance—Devlet Yatirim Bankasi.....	June 20, 1974	1977/1991	7¼ %	40,000,000
Power—Turkiye Elektrik Kurumu and Turkiye Komur Isletmeleri Kurumu.....	June 27, 1974	1979/1999	7¼ %	148,000,000
Uruguay				
Livestock.....	October 23, 1973	1978/1987	7¼ %	13,500,000
Venezuela (Guarantor)				
Agricultural credit—Banco de Desarrollo Agropecuario S.A.....	January 8, 1974	1978/1987	7¼ %	22,000,000
Yugoslavia (Guarantor)				
Development finance—Privredna Banka Sarajevo and Stopanska Banka, Skopje.....	June 6, 1974	1976/1991	7¼ %	50,000,000
Industry—Industrija Masina i Traktora.....	February 19, 1974	1977/1988	7¼ %	18,500,000
Industry—Livnica Zeljeza i Tempera—Kikinda.....	November 20, 1973	1978/1987	7¼ %	14,500,000
Industry—Fabrika Odlivaka Beograd.....	February 19, 1974	1978/1987	7¼ %	15,000,000
Highways—Republički Fond Za Puteve S.R. Bosne i Hercegovine Sarajevo.....	May 21, 1974	1978/1997	7¼ %	30,000,000
Zambia (Guarantor)				
Power—Zambia Electricity Supply Corporation Limited.....	July 5, 1973	1979/1998	7¼ %	115,000,000
TOTAL of loans to or guaranteed by members.....				<u>\$3,218,400,000</u>
International Finance Corporation	February 1, 1974	1977/1994	7¼ %	40,000,000
International Finance Corporation	May 9, 1974	1978/1994	7¼ %	70,000,000
TOTAL.....				<u>\$3,328,400,000</u>

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Statement of Condition

June 30, 1974 and June 30, 1973

Expressed in United States currency (in thousands)—see Notes to Financial Statements, Appendix F

Appendix A

International Development
Association

	1974	1973
Assets		
DUE FROM BANKS AND OTHER DEPOSITORIES		
Unrestricted currencies (including interest-bearing, demand deposits \$42,753—1974; \$684—1973).....	\$ 120,711	\$ 214,609
Currencies subject to restrictions—Note B.....	61,143	52,954
	\$ 181,854	267,563
INVESTMENTS		
Obligations of governments and their instrumentalities (at cost or amortized cost; face amount \$332,744—1974; \$180,109—1973)—Note C.....	\$ 325,579	179,229
Time deposits.....	138,501	140,091
Accrued interest.....	8,955	3,274
	473,035	322,594
RECEIVABLE ON ACCOUNT OF SUBSCRIPTIONS AND SUPPLEMENTARY RESOURCES		
Non-negotiable, non-interest-bearing, demand obligations		
Unrestricted.....	\$1,900,839	1,480,163
Subject to restrictions—Note B.....	176,658	176,411
Amounts due on additional subscriptions and supplementary resources.....	401,534	349,745
Amounts required to maintain value of currency holdings—Note D.....	39,713	26,491
	2,518,744	2,032,810
RECEIVABLES—OTHER		
International Bank for Reconstruction and Development—Note E.....	\$ 357,983	341,876
Non-member—Note F.....	1,450	4,053
Swiss Confederation—Note G.....	—	14,798
Purchaser, on account of effective development credit agreed to be sold (undisbursed balance nil—1974; \$40—1973).....	—	100
	359,433	360,827
DEVELOPMENT CREDITS (see Appendix D)—Note H.....		
Less—development credits approved but not yet effective.....	\$7,249,759	6,197,793
Effective development credits (including undisbursed balance \$2,816,330—1974; \$1,800,922—1973).....	520,300	1,188,150
	6,729,459	5,009,643
ACCRUED SERVICE CHARGES ON DEVELOPMENT CREDITS—Note H.....		
	8,239	7,732
OTHER ASSETS		
Exchange adjustments on subscriptions and supplementary resources—Note D.....	\$ 73,680	139,845
Other.....	988	216
	74,668	140,061
TOTALS.....	\$10,345,432	\$8,141,230
Liabilities, Subscriptions, Supplementary Resources, Transfers and Accumulated Net Income		
LIABILITIES		
Amounts required to maintain value of currency holdings—Note D.....	\$ 5,850	\$ 2,529
Accounts payable and other liabilities.....	90	10,778
Undisbursed balance of effective development credits (see Appendix D)		
Held by Association.....	\$2,816,330	1,800,922
Agreed to be sold.....	—	40
	2,816,330	1,800,962
Loans from Swiss Confederation—Note G.....	60,667	62,153
SUBSCRIPTIONS AND SUPPLEMENTARY RESOURCES (see Appendix E)—Note I		
Subscriptions (United States dollars of 1960 \$1,063,502—1974; \$1,061,390—1973).....	\$1,282,955	1,280,407
Supplementary resources (United States dollars of 1960 \$4,377,394—1974; \$4,281,943—1973).....	5,280,665	5,165,517
Advance contributions.....	168,892	—
	\$6,732,512	6,445,924
Less—portion for which payment is not yet due.....	169,933	961,291
	6,562,579	5,484,633
Payments on account of pending subscriptions.....	65	216
TRANSFERS FROM INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT—Note E.....		
Less—grants to international agricultural research programs.....	\$ 815,000	705,000
	4,180	1,735
	810,820	703,265
CONTRIBUTION FROM NON-MEMBER—Note F.....		
	7,250	6,755
ACCUMULATED NET INCOME		
At beginning of fiscal year—July 1.....	\$ 69,939	64,246
Fiscal Year (see Appendix B).....	11,842	5,693
	81,781	69,939
TOTALS.....	\$10,345,432	\$8,141,230

Statement of Income and Expenses

For the fiscal years ended June 30, 1974 and June 30, 1973

Expressed in United States currency (in thousands)—see Notes to Financial Statements, Appendix F

Appendix B

International Development
Association

	July 1-June 30	
	1973/74	1972/73
Income		
Income from investments.....	\$30,982	\$15,268
Income from development credits.....	26,539	20,371
TOTAL INCOME.....	<u>\$57,521</u>	<u>\$35,639</u>
Expenses		
Management fee to International Bank for Reconstruction and Development.....	\$43,180	\$30,884
Translation adjustments as a result of currency devaluations and revaluations—Note A.....	2,499	(938)
TOTAL EXPENSES.....	<u>\$45,679</u>	<u>\$29,946</u>
Net Income	<u>\$11,842</u>	<u>\$ 5,693</u>

Statement of Changes in Resources Available for Commitment

Appendix C International Development Association

For the fiscal years ended June 30, 1974 and June 30, 1973

Expressed in United States currency (in thousands)—see Notes to Financial Statements, Appendix F

	July 1-June 30	
	1973/74	1972/73
Resources Provided		
Net income (see Appendix B)	\$ 11,842	\$ 5,693
(Less) Add—certain translation adjustments as a result of currency devaluations and revaluations	(992)	6,317
Resources provided by operations	\$ 10,850	\$ 12,010
From Members:		
Subscriptions, unrestricted	4,926	39,619
Supplementary resources	115,148	1,992,371
Advance contributions to fourth replenishment (see Note I)	168,892	—
Increase in value of assets derived from unrestricted subscriptions and supplementary resources as a result of the devaluation of the United States dollar	—	328,131
Transfer from International Bank for Reconstruction and Development—Note E	107,020	107,000
Loan from Swiss Confederation	—	34,559
Cancellations and refundings	36,527	115,834
Repayments of development credits	6,707	4,022
TOTALS	\$ 450,070	\$2,633,546
Resources Used		
Development credit agreements approved	\$1,095,200	\$1,501,585
Development credit agreements approved in fiscal year 1972 subject to availability of resources	—	319,500
TOTALS	\$1,095,200	\$1,821,085
Net (Decrease) Increase in Resources Available for Commitment	\$ (645,130)	\$ 812,461
Resources Available for Commitment		
Beginning of Period	815,026	2,565
End of Period	\$ 169,896	\$ 815,026
Composition of Resources Available for Commitment		
Unrestricted currencies	\$ 120,711	\$ 214,609
Investments	473,035	322,594
Unrestricted receivables on account of subscriptions and supplementary resources	2,336,780	1,846,800
Receivables—other	357,633	359,522
Receivable from accrued service charges and other assets	54,321	114,362
Subscriptions, supplementary resources and advance contributions not yet due	169,897	959,517
Less—undisbursed development credits (including development credits not yet effective) and accounts payable	(3,342,481)	(3,002,378)
	\$ 169,896	\$ 815,026

Summary Statement of Development Credits

Appendix D

International Development
Association

June 30, 1974 and June 30, 1973

Expressed in United States currency (in thousands)—see Notes to Financial Statements, Appendix F

Members in whose territories development credits have been made ⁽¹⁾	Effective development credits held by Association			Development credits approved but not yet effective ⁽⁴⁾
	Disbursed portion ⁽²⁾	Undisbursed portion ⁽³⁾	Total	
Afghanistan	\$ 7,567	\$ 33,267	\$ 40,834	\$ —
Australia:				
Papua New Guinea	13,436	13,417	26,853	—
Bangladesh	105,561	170,506	276,067	20,000
Bolivia	34,527	23,063	57,590	—
Botswana	9,849	3,191	13,040	3,000
Burma	13	32,987	33,000	17,000
Burundi	3,015	579	3,594	5,000
Cameroon	32,808	37,204	70,012	—
Central African Republic	8,615	4,762	13,377	—
Chad	5,801	7,886	13,687	11,000
Chile	22,253	—	22,253	—
China	15,423	—	15,423	—
Colombia	22,839	—	22,839	—
Congo, People's Republic of	8,822	13,072	21,894	—
Costa Rica	5,329	—	5,329	—
Dahomey	12,357	14,550	26,907	600
Dominican Republic	3,562	18,520	22,082	—
Ecuador	18,629	20,408	39,037	—
Egypt, Arab Republic of	29,628	101,708	131,336	20,000
El Salvador	15,806	—	15,806	—
Equatorial Guinea	—	2,000	2,000	—
Ethiopia	49,598	65,487	115,085	70,400
Gambia, The	3,039	2,874	5,913	—
Ghana	30,017	33,728	63,745	12,400
Guyana	3,781	5,864	9,645	—
Haiti	414	—	414	10,000
Honduras	25,950	9,849	35,799	—
India	2,005,927	956,972	2,962,899	93,000
Indonesia	169,535	351,487	521,022	52,500
Ivory Coast	—	7,500	7,500	—
Jordan	19,986	22,615	42,601	—
Kenya	68,242	26,466	94,708	33,500
Korea	66,766	48,702	115,468	—
Lesotho	5,381	5,165	10,546	—
Liberia	915	10,085	11,000	—
Malagasy Republic	29,109	35,076	64,185	6,000
Malawi	45,114	25,608	70,722	2,000
Mali	24,493	29,334	53,827	8,000
Mauritania	11,896	6,267	18,163	4,900
Mauritius	3,824	13,095	16,919	—
Morocco	28,450	11,009	39,459	—
Nepal	2,608	17,386	19,994	13,800
Nicaragua	5,970	17,574	23,544	—
Niger	15,369	3,445	18,814	5,000
Nigeria	33,849	6,002	39,851	—
Pakistan	465,015	92,506	557,521	16,000
Paraguay	25,495	5,100	30,595	—
Philippines	3,488	19,228	22,716	9,500
Rwanda	5,912	6,557	12,469	10,100
Senegal	25,154	36,634	61,788	—
Sierra Leone	7,025	4,009	11,034	—
Somalia	16,930	19,332	36,262	10,000
Sri Lanka	19,017	8,030	27,047	—
Sudan	17,399	69,859	87,258	34,700
Swaziland	3,295	—	3,295	—
Syrian Arab Republic	9,551	29,086	38,637	10,000
Tanzania	58,890	80,016	138,906	—
Thailand	419	24,581	25,000	7,000
Togo	3,938	9,077	13,015	—
Tunisia	39,948	23,804	63,752	7,000
Turkey	122,534	73,858	196,392	—
Uganda	36,681	11,897	48,578	—
Upper Volta	4,192	17,363	21,555	9,350
Yemen Arab Republic	1,494	28,106	29,600	8,550
Yemen, People's Democratic Republic of	1,540	4,211	5,751	—
Zaire	19,139	44,366	63,505	10,000
TOTALS June 30, 1974	\$3,913,129	\$2,816,330	\$6,729,459	\$ 520,300
TOTALS June 30, 1973	\$3,208,721	\$1,800,922	\$5,009,643	\$1,188,150

⁽¹⁾ All development credits have been made to member governments or to the government of a territory of a member.

⁽²⁾ The disbursed portions at June 30, 1974 include adjustments to reflect the devaluations of the United States dollar in 1972 and in 1973.

⁽³⁾ Of the undisbursed balance at June 30, 1974 the Association has entered into irrevocable commitments to disburse \$7,894,000 (\$2,877,000—1973).

⁽⁴⁾ As at June 30, 1974, agreements in the amount of \$50,400,000 providing for these development credits have been approved but not signed. In addition, agreements for development credits in the amount of \$439,900,000 have been signed, but the development credits do not become effective and disbursements thereunder do not start until the borrower takes certain action and furnishes certain documents to the Association.

Statement of Subscriptions, Voting Power and Supplementary Resources

June 30, 1974

Expressed in thousands of units of currency—see Notes to Financial Statements, Appendix F

Member ⁽¹⁾	Subscriptions ⁽²⁾		Voting power		Supplementary resources	Total subscriptions and supplementary resources	
	Amount expressed in United States dollars of the weight and fineness in effect on January 1, 1960	Percent of total	Number of votes	Percent of total	Amount expressed in United States dollars of the weight and fineness in effect on January 1, 1960	Expressed in United States dollars of the weight and fineness in effect on January 1, 1960	Expressed in current United States dollars ⁽³⁾
Australia	\$ 20,763	1.95	13,079	1.50	\$ 91,217	\$ 111,980	\$ 135,087
Austria	5,238	.49	5,232	.60	29,322	34,560	41,691
Belgium	8,746	.82	9,597	1.10	68,954	77,700	93,733
Canada ⁽⁴⁾	39,682	3.73	32,464	3.73	264,848	304,530	367,369
Denmark	9,174	.86	8,922	1.03	61,666	70,840	85,458
Finland	3,952	.37	4,037	.46	18,496	22,448	27,080
France	55,035	5.17	38,284	4.40	306,997	362,032	436,737
Germany, Federal Republic of	55,963	5.26	49,874	5.74	420,597	476,560	574,898
Iceland	103	.01	1,806	.21	447	550	663
Ireland	3,148	.30	3,825	.44	3,882	7,030	8,481
Italy	19,429	1.83	21,239	2.44	173,811	193,240	233,115
Japan	35,356	3.32	30,541	3.51	249,964	285,320	344,195
Kuwait ⁽⁴⁾	3,493	.33	4,089	.47	19,427	22,920	27,650
Luxembourg	390	.04	2,010	.23	2,160	2,550	3,076
Netherlands	28,435	2.67	15,989	1.84	112,645	141,080	170,192
Norway	7,012	.66	6,739	.78	42,308	49,320	59,497
South Africa	10,091	.95	3,777	.43	9,989	20,080	24,223
Sweden	11,592	1.09	22,538	2.59	194,633	206,225	248,779
United Kingdom	134,650	12.66	71,857	8.27	559,650	694,300	837,568
United States	331,900	31.21	210,927	24.26	1,740,390	2,072,290	2,499,904
TOTALS PART I MEMBERS	\$ 784,152	73.73	556,826	64.05	\$4,371,403	\$5,155,555	\$6,219,396
Afghanistan	\$ 1,049	.10	2,437	.28	\$ —	\$ 1,049	\$ 1,266
Algeria	4,186	.39	4,510	.52	—	4,186	5,050
Argentina	19,562	1.84	14,661	1.69	—	19,562	23,599
Bangladesh	5,589	.53	5,444	.63	—	5,589	6,742
Bolivia	1,101	.10	2,473	.29	—	1,101	1,328
Botswana	166	.02	1,859	.21	—	166	200
Brazil	19,562	1.84	14,661	1.69	—	19,562	23,599
Burma	2,099	.20	3,138	.36	—	2,099	2,532
Burundi	790	.07	2,273	.26	—	790	953
Cameroon	1,010	.10	702	.08	—	1,010	1,218
Central African Republic	500	.05	600	.07	—	500	603
Chad	519	.05	2,093	.24	—	519	626
Chile	3,530	.33	1,206	.14	—	3,530	4,258
China	31,436	2.96	22,503	2.59	—	31,436	37,923
Colombia	3,667	.34	4,168	.48	—	3,667	4,424
Congo, People's Republic of	500	.05	600	.07	—	500	603
Costa Rica	208	.02	1,892	.22	—	208	251
Cyprus	790	.07	2,273	.26	—	790	953
Dahomey	500	.05	600	.07	—	500	603
Dominican Republic ⁽⁵⁾	415	.04	2,022	.23	—	415	501
Ecuador	676	.06	2,200	.25	—	676	816
Egypt, Arab Republic of	5,277	.50	5,231	.60	—	5,277	6,366
El Salvador	311	.03	1,951	.22	—	311	375
Equatorial Guinea	332	.03	1,967	.23	—	332	401
Ethiopia	519	.05	2,093	.24	—	519	626
Fiji	581	.05	2,130	.25	—	531	701
Gabon	519	.05	2,093	.24	—	519	626
Gambia, The	277	.03	1,931	.22	—	277	334
Ghana	2,452	.23	3,372	.39	—	2,452	2,958
Greece	2,618	.25	3,480	.40	—	2,618	3,158
Guatemala	415	.04	2,022	.23	—	415	501
Guinea	1,049	.10	2,437	.28	—	1,049	1,266
Guyana	842	.08	2,308	.27	—	842	1,016
Haiti	790	.07	2,273	.26	—	790	953
Honduras	311	.03	1,951	.22	—	311	375
India	41,919	3.94	29,426	3.38	—	41,919	50,569
Indonesia	11,531	1.08	9,360	1.08	—	11,531	13,910
Iran	4,717	.44	4,868	.56	—	4,717	5,690
Iraq	790	.07	2,273	.26	—	790	953
Israel	1,745	.16	2,904	.33	—	1,745	2,105
Ivory Coast	1,049	.10	2,437	.28	—	1,049	1,266
Jordan	300	.03	560	.06	—	300	362
Kenya	1,745	.16	2,904	.33	—	1,745	2,105
Khmer Republic	1,060	.10	2,452	.28	—	1,060	1,279

Appendix E

International Development
Association

Member ⁽¹⁾	Subscriptions ⁽²⁾		Voting power		Supplementary resources	Total subscriptions and supplementary resources	
	Amount expressed in United States dollars of the weight and fineness in effect on January 1, 1960	Percent of total	Number of votes	Percent of total	Amount expressed in United States dollars of the weight and fineness in effect on January 1, 1960	Expressed in United States dollars of the weight and fineness in effect on January 1, 1960	Expressed in current United States dollars ⁽³⁾
Korea	\$ 1,309	.12	2,615	.30	\$ —	\$ 1,309	\$ 1,579
Laos	519	.05	2,093	.24	—	519	626
Lebanon	450	.04	590	.07	—	450	543
Lesotho	166	.02	1,859	.21	—	166	200
Liberia	790	.07	2,273	.26	—	790	953
Libyan Arab Republic	1,049	.10	2,437	.28	—	1,049	1,266
Malagasy Republic	1,010	.10	702	.08	—	1,010	1,218
Malawi	790	.07	2,273	.26	—	790	953
Malaysia	2,618	.25	3,480	.40	—	2,618	3,158
Mali	904	.09	2,346	.27	—	904	1,091
Mauritania	519	.05	2,093	.24	—	519	626
Mauritius	894	.08	2,344	.27	—	894	1,078
Mexico	8,740	.82	2,248	.26	—	8,740	10,544
Morocco	3,667	.34	4,168	.48	—	3,667	4,424
Nepal	519	.05	2,093	.24	—	519	626
Nicaragua	311	.03	1,951	.22	—	311	375
Niger	500	.05	600	.07	—	500	603
Nigeria	3,491	.33	4,057	.47	—	3,491	4,211
Oman	311	.03	1,951	.22	—	311	375
Pakistan	10,482	.99	8,673	1.00	—	10,482	12,645
Panama	20	(6)	504	.06	—	20	24
Paraguay	311	.03	1,951	.22	—	311	375
Peru	1,770	.17	854	.10	—	1,770	2,135
Philippines	5,236	.49	5,211	.60	—	5,236	6,316
Rwanda	760	.07	652	.08	—	760	917
Saudi Arabia	3,700	.35	1,240	.14	—	3,700	4,464
Senegal	1,680	.16	836	.10	—	1,680	2,027
Sierra Leone	790	.07	2,273	.26	—	790	953
Somalia	790	.07	2,273	.26	—	790	953
Spain	10,482	.99	8,673	1.00	2,108	12,590	15,188
Sri Lanka	3,148	.30	3,825	.44	—	3,148	3,798
Sudan	1,049	.10	2,437	.28	—	1,049	1,266
Swaziland	332	.03	1,968	.23	—	332	401
Syrian Arab Republic	987	.09	2,400	.28	—	987	1,191
Tanzania	1,745	.16	2,904	.33	—	1,745	2,105
Thailand	3,148	.30	3,825	.44	—	3,148	3,798
Togo	790	.07	2,273	.26	—	790	953
Trinidad and Tobago	1,350	.13	770	.09	—	1,350	1,629
Tunisia	1,569	.15	2,793	.32	—	1,569	1,893
Turkey	6,026	.57	5,733	.66	—	6,026	7,269
Uganda	1,745	.16	2,904	.33	—	1,745	2,105
Upper Volta	519	.05	2,093	.24	—	519	626
Viet-Nam	1,569	.15	2,793	.32	—	1,569	1,893
Western Samoa	94	.01	1,812	.21	—	94	113
Yemen Arab Republic	446	.04	2,041	.23	—	446	538
<i>Yemen, People's Democratic Republic of</i>	1,226	.12	2,561	.29	—	1,226	1,479
Yugoslavia	4,197	.39	4,525	.52	3,883	8,080	9,747
Zaire	3,138	.30	3,823	.44	—	3,138	3,786
Zambia	2,690	.25	1,038	.12	—	2,690	3,245
TOTALS PART II MEMBERS—							
Note B	\$ 279,350	26.27	312,569	35.95	\$ 5,991	\$ 285,341	\$ 344,224
GRAND TOTALS⁽⁴⁾	\$1,063,502	100.00	869,395	100.00	\$4,377,394	\$5,440,896	\$6,563,620

Amounts in these notes are expressed in current United States dollars.

(1) The subscriptions of, and the supplementary resources provided by, Part I members are payable in freely convertible currencies and may be freely used or exchanged by the Association.

(2) Subscriptions include initial subscriptions of all members and additional subscriptions taken up by members under the third replenishment of the resources of the Association.

(3) Amounts aggregating the equivalent of \$402,575,000 receivable from members are included, of which \$401,534,000 equivalent was past due at June 30, 1974 and the balance, \$1,041,000 equivalent, was not yet due.

(4) Does not include advance contributions to the fourth replenishment aggregating \$168,892,000 equivalent: Canada—\$141,952,000 and Kuwait—\$26,940,000. These amounts are not yet due.

(5) Does not include an amount of \$65,000 paid for pending additional subscriptions and contributions under the fourth replenishment.

(6) Less than .005 percent.

June 30, 1974 and June 30, 1973

Note A—Translation of Currencies

The financial statements are expressed in terms of the current United States dollar having a par value of 0.736662 gram of fine gold. Asset and liability accounts in currencies other than United States dollars are translated into dollars at the market rates of exchange prevailing at the fiscal year-end. Accounts relating to subscriptions and supplementary resources which are expressed in terms of United States dollars of the weight and fineness in effect on January 1, 1960, are translated into current United States dollars on the basis of \$1.20635 per 1960 dollar. Accounts for income and expense are translated at an average of the rates of exchange which prevailed during the fiscal year. Translation adjustments other than those relating to maintenance of value of subscriptions and supplementary resources (see Note D) are reflected in the Statement of Income and Expenses.

At June 30, 1973, the restricted currencies (see Note B) of certain members, which are not widely used in the Association's operations, had been translated at the rates used by such members in making payments of subscriptions to the Association. In the financial statements such amounts have been restated at the market rates of exchange at that date. As a result, an aggregate amount of \$23.4 million, which was included under the headings Due from Banks and Other Depositories and Receivable on Account of Subscriptions and Supplementary Resources is no longer shown under these headings and is shown as Exchange Adjustments on Subscriptions and Supplementary Resources under the heading Other Assets. In addition, at June 30, 1973 certain translation adjustments aggregating \$1,506,000 were reflected as adjustments to Accumulated Net Income. These financial statements have been restated by reflecting such amount in the determination of net income for fiscal year 1973.

No representation is made that any currency held by the Association is convertible into any other currency at any rate or rates.

Note B—Restricted Currencies

Article IV, Section 1(a) of the Articles of Agreement of the Association provides that the currency of any Part II member, whether or not freely convertible, received by the Association in payment of the ninety percent portion of its initial subscription may be used by the Association for administrative expenses incurred by the Association in the territories of such members and, insofar as consistent with sound monetary policies, in payment for goods and services produced in the territories of such members and required for projects financed by the Association and located in such territories; and in addition when and to the extent justified by the economic and financial situation of the member concerned as determined by agreement between the member and the Association, such currency shall be freely convertible or otherwise usable for projects financed by the Association and located outside the territories of the member. Currencies paid by Part II members for additional subscriptions under the third replenishment are, by agreement, subject to the provisions of Article IV, Section 1(a). The amounts of \$61,143,000 (\$52,954,000—1973) under the heading Due from Banks and Other Depositories, \$181,964,000 (\$186,008,000—1973) under the heading Receivable on Account of Subscriptions and Supplementary Resources and \$28,432,000 (\$33,215,000—1973) included under Exchange Adjustments on Subscriptions and Supplementary Resources under the heading Other Assets are subject to such restrictions.

Note C—Investments

The market value of securities is \$324,440,000; securities which are not traded in the market are included in the valuation at their cost of \$12,519,000.

The item Investments includes securities amounting to \$12,000,000 purchased under an agreement to resell within the next three months.

Note D—Maintenance of Value

Article IV, Section 2 provides for the maintenance as of the time of

subscription of the value of the Association's holdings of the currency (or substituted notes) representing ninety percent of each member's initial subscription, to the extent that such currency has not been initially disbursed or exchanged for the currency of another member. This Section requires the member to make additional payments to the Association in the event of a reduction in the par value of its currency or if the foreign exchange value of its currency has, in the opinion of the Association, depreciated to a significant degree and requires the Association to reimburse the member in the event of an increase in the par value of its currency or a significant appreciation of its currency in its territories.

The total amounts of additional subscriptions and supplementary resources of the Association through the third replenishment have, by agreement, the same respective rights and obligations as to maintenance of value as are set forth in Article IV, Section 2. Under the terms of the fourth replenishment resolution (see Note J), the provisions of Article IV, Section 2 are not applicable to subscriptions and contributions made under this replenishment.

On June 19, 1972, the Executive Directors resolved that, pending establishment of new par values, maintenance of value obligations be settled on the basis of central rates with all members which have established such central rates. The Executive Directors further decided that with respect to any member currency functioning under a system under which the market rate is not confined within the announced limits, maintenance of value obligations for currencies disbursed would be determined on the basis of market rates in effect on the respective dates of disbursement. The equivalent of \$39,713,000 is due from 23 members (\$26,491,000 from 30 members—1973) and the equivalent of \$5,850,000 is payable to 11 members (\$2,529,000 to eight members—1973) in order to maintain the value of the Association's currency holdings or notes substituted therefor as required under Article IV, Section 2 and in accordance with the above decisions of the Executive Directors.

Amounts paid in or payable by members for subscriptions and supplementary resources which have not been initially disbursed or exchanged for the currency of another member have been translated at market rates of exchange (see Note A). Where there are differences between market rates of exchange and the rates at which subscriptions and supplementary resources of members have been paid or are payable, they are shown as Exchange Adjustments on Subscriptions and Supplementary Resources under the heading Other Assets. The amount thus established, \$73,680,000, which consists of notional receivables \$88,565,000 and payables \$14,885,000, will become maintenance of value obligations if and when the provisions of Article IV, Section 2 of the Articles of Agreement or the resolution of the Executive Directors described above, become applicable. In 1973, the notional receivables \$170,946,000 and payables \$54,482,000 were shown as assets and liabilities, respectively. The net amount has now been restated as Exchange Adjustments on Subscriptions and Supplementary Resources under the heading Other Assets and has also been increased by \$23,381,000 as a result of the restatement described in Note A.

Note E—Transfers from International Bank for Reconstruction and Development

The International Bank for Reconstruction and Development has authorized transfers by way of grants to the Association totalling \$815,000,000 (\$705,000,000—1973) from the net income of the Bank for the fiscal years ended June 30, 1964 through 1973. Of this amount, \$457,017,000 has been received as of June 30, 1974 (\$363,124,000—1973). The resolutions of the Board of Governors regarding the transfers of \$110,000,000 each year out of income for fiscal years 1972 and 1973 provided that up to the equivalent of \$3,000,000 of the grant from fiscal year 1972 net income and \$3,200,000 from that of fiscal year 1973 might be used by the Association for grants for agricultural research. As at June 30, 1974, grants aggregating \$4,180,000 (\$2,780,000 from the 1972 fiscal year

grant and \$1,400,000 from the 1973 fiscal year grant) had been made and the entire amount disbursed. The amount of \$220,000 not used for grants from the transfer out of fiscal year 1972 net income has reverted to the Association for use in its regular operations. In July 1974, the Executive Directors approved additional grants totalling \$975,000. The unused balance of the 1973 fiscal year grant will revert to the Association for use in its regular operations in fiscal year 1975.

• **Note F—Contribution from Non-Member**

New Zealand, which is not a member of the Association, has made a voluntary contribution of \$NZ 5 million (US equivalent \$7,250,000) to the Association, to be paid in five equal instalments. The first four instalments had been received prior to June 30, 1974 and the remaining instalment will be received in 1975.

• **Note G—Loans from Swiss Confederation**

The Association has entered into agreements to borrow a total of SwF 182 million (US equivalent \$60,667,000) from the Swiss Confederation. The first loan for SwF 52 million was made in fiscal year 1967 and the second loan for SwF 130 million was made in fiscal year 1973. The loans carry no interest and are each repayable in forty annual instalments commencing July 1, 1979, in the case of the first loan, and November 8, 1983, in the case of the second loan. The first ten instalments in each instance will be 1% of the respective principal amounts and the remaining thirty instalments will be 3% of such principal amounts.

Note H—Development Credits

The principal amounts disbursed and outstanding on development credits and the accrued service charges are denominated in United States dollars of the weight and fineness in effect on January 1, 1960. The equivalent is payable by the borrowers in currencies which the Association determines to be freely convertible or freely exchangeable by the Association for currencies of other members of the Association, except that such amount would be reduced if (a) there is a uniform proportionate reduction in the par values of the currencies of all members of the International Monetary Fund or (b) the Association so decides because of a substantial reduction in the value of one or more major currencies of members. The foregoing does not apply to a development credit of \$9,000,000 which is expressed and is repayable in legal tender dollars.

Note I—Subscriptions and Supplementary Resources

The Association's Articles of Agreement and subsequent resolutions for the first three replenishments define subscriptions and supplementary resources in terms of United States dollars of the weight and fineness in effect on January 1, 1960. At June 30, 1974, all subscriptions and supplementary resources are expressed in current United States dollars unless otherwise indicated.

Subscriptions and supplementary resources not yet due include \$1,041,000 equivalent under the third replenishment, of which

\$36,000 will be due in July 1974 and \$1,005,000 in October 1974, and advance contributions to the fourth replenishment from Canada and Kuwait aggregating \$168,892,000 equivalent, of which \$79,956,000 will be due in each of November 1974 and November 1975 and \$8,980,000 in November 1976.

Note J—General

The Board of Governors has approved a resolution authorizing the Association to accept additional resources from its member countries, as a fourth replenishment of the Association's resources. Under the resolution the Association would be authorized to accept the following:

(a) the aggregate of \$4,435,123,000 equivalent, computed at September 27, 1973 market rates of exchange, from 21 Part I and three Part II members, payable in the members' respective currencies. The above includes an amount from New Zealand which will become a Part I member under the fourth replenishment. These payments would be made in three equal instalments on or before November 8, 1974, November 8, 1975 and November 8, 1976 (unless those dates are postponed for limited periods as provided in the resolution). The resolution further provides that the members have certain options in amounts and times of payment. These resources would be divided into amounts for subscriptions carrying voting rights and contributions not carrying voting rights; and

(b) the Swiss Confederation has expressed its intention to seek legislative approval to make a loan to the Association of SwF 200 million (US equivalent \$66,179,000) to be repayable over a 50-year period without interest.

In connection with the replenishment, arrangements have been made to permit other Part II members to maintain their relative voting power and for that purpose they have been authorized to make subscriptions carrying voting rights in the aggregate of \$9,428,000 equivalent payable in the currencies of the subscribing members on the same terms and conditions as described in (a) above. An additional amount of \$1,796,000 equivalent is to be received for subscriptions and contributions carrying no voting rights from Part II members exercising additional preemptive rights.

None of the above subscriptions and contributions will become payable unless members, including at least 12 Part I members, whose subscriptions and contributions aggregate not less than the equivalent, determined on the basis of exchange rates at September 27, 1973, of \$3,500 million equivalent shall each have given the Association, on or before December 31, 1974, or such later date as the Executive Directors may determine, formal notification that it will make both the subscription and contribution authorized for such member in accordance with the terms of the resolution.

The advance contributions of Canada and Kuwait (see Note I) were made available to the Association regardless of whether or not the fourth replenishment shall become effective. Prior to the date when the replenishment shall become effective these advance contributions are deemed to be contributions without voting rights.

Report of Independent Accountants

1801 K STREET, N.W.
WASHINGTON, D.C. 20006
July 31, 1974

To
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D.C.

We have examined the accompanying financial statements (Appendices A through F) of International Development Association for the years ended June 30, 1974 and 1973. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note A to the financial statements, translation adjustments arising in 1974 are shown in the statement of income and expenses, and the financial statements for 1973 have been restated on a comparative basis.

In our opinion, the financial statements examined by us present fairly, in terms of United States currency, the financial position of International Development Association as of June 30, 1974 and 1973, the results of its operations and changes in resources available for commitment for the years then ended, in conformity with generally accepted accounting principles consistently applied after restatement for the change, with which we concur, referred to in the preceding paragraph.

PRICE WATERHOUSE & CO.

Financial Statements Covered by the Foregoing Report

Statement of Condition.....	Appendix A (page 122)
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Statement of Changes in Resources Available for Commitment.....	Appendix C (page 124)
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Statement of Development Credits

Approved during the Fiscal Year 1973/74

(US dollars)

Appendix G

International Development
Association

Purpose and borrower	Date of approval	Maturities	Service charge	Principal amount
Afghanistan				
Highways.....	December 18, 1973	1984/2023	¾%	\$ 11,500,000
Bangladesh				
Imports program.....	February 5, 1974	1984/2024	¾%	50,000,000
Inland water transport.....	August 7, 1973	1984/2023	¾%	4,100,000
Telecommunications.....	June 18, 1974	1984/2024	¾%	20,000,000
Bolivia				
Development finance.....	January 15, 1974	1984/2023	¾%	6,200,000
Power.....	September 11, 1973	1983/2023	¾%	6,000,000
Botswana				
Urbanization.....	April 16, 1974	1984/2024	¾%	3,000,000
Burma				
Irrigation.....	June 13, 1974	1984/2024	¾%	17,000,000
Burundi				
Highways.....	February 12, 1974	1984/2023	¾%	5,000,000
Cameroon				
Highways.....	July 3, 1973	1983/2023	¾%	24,000,000
Chad				
Irrigation.....	March 26, 1974	1984/2023	¾%	7,500,000
Education (supplement).....	August 7, 1973	1981/2020	¾%	500,000
Education (supplement).....	August 7, 1973	1978/2018	¾%	400,000
Drought relief program.....	November 13, 1973	1984/2023	¾%	2,000,000
Highways.....	June 11, 1974	1984/2024	¾%	3,500,000
Congo, People's Republic of				
Livestock.....	September 11, 1973	1983/2023	¾%	5,600,000
Dahomey				
Agricultural development (amendment).....	February 28, 1974	1979/2019	¾%	600,000
Ecuador				
Irrigation.....	July 5, 1973	1983/2023	¾%	5,500,000
Egypt, Arab Republic of				
Fertilizers.....	November 13, 1973	1975/1983	¾%	400,000
Fertilizers.....	June 18, 1974	1984/2024	¾%	20,000,000
Industry.....	July 24, 1973	1983/2023	¾%	18,500,000
Population planning.....	October 23, 1973	1984/2023	¾%	5,000,000
Ethiopia				
Agricultural development.....	June 25, 1974	1984/2024	¾%	12,000,000
Drought rehabilitation.....	June 25, 1974	1984/2024	¾%	10,000,000
Telecommunications.....	November 20, 1973	1984/2023	¾%	21,400,000
Gambia, The				
Ports (supplement).....	March 26, 1974	1980/2020	¾%	2,400,000
Ghana				
Highways.....	October 30, 1973	1984/2023	¾%	13,000,000
Livestock.....	June 18, 1974	1984/2024	¾%	2,000,000
Water supply.....	June 27, 1974	1984/2024	¾%	10,400,000
Haiti				
Highways.....	May 16, 1974	1984/2024	¾%	10,000,000
Honduras				
Livestock.....	October 9, 1973	1984/2023	¾%	6,600,000
Education.....	December 20, 1973	1984/2023	¾%	3,000,000
India				
Agricultural credit.....	October 23, 1973	1984/2023	¾%	32,000,000
Agricultural industries.....	January 8, 1974	1984/2023	¾%	13,000,000
Livestock.....	June 13, 1974	1984/2024	¾%	30,000,000
Fertilizers.....	June 18, 1974	1984/2024	¾%	50,000,000
Industrial imports.....	May 28, 1974	1984/2024	¾%	150,000,000
Railways.....	December 18, 1973	1984/2023	¾%	80,000,000
Urbanization.....	August 14, 1973	1983/2023	¾%	35,000,000
Indonesia				
Fisheries.....	June 4, 1974	1984/2024	¾%	6,500,000
Irrigation.....	June 20, 1974	1984/2024	¾%	30,000,000
Development finance.....	October 9, 1973	1984/2023	¾%	10,000,000
Industrial estates.....	September 11, 1973	1983/2023	¾%	16,500,000
Technical assistance.....	December 20, 1973	1984/2023	¾%	5,000,000
Tourism.....	June 4, 1974	1984/2024	¾%	16,000,000
Kenya				
Livestock.....	May 28, 1974	1984/2024	¾%	21,500,000
Population planning.....	March 19, 1974	1984/2024	¾%	12,000,000

(continued)

Statement of Development Credits

Approved during the Fiscal Year 1973/74

(US dollars)

(continued)

Appendix G

International Development
Association

Purpose and borrower	Date of approval	Maturities	Service charge	Principal amount
Malagasy Republic				
Ports (amendment).....	September 20, 1973	1980/2020	¾%	1,800,000
Railways.....	January 15, 1974	1984/2023	¾%	6,000,000
Malawi				
Industry.....	June 6, 1974	1979/1984	¾%	2,000,000
Power.....	September 4, 1973	1983/2023	¾%	7,500,000
Mali				
Agricultural development.....	June 6, 1974	1984/2024	¾%	8,000,000
Drought relief program.....	November 13, 1973	1984/2023	¾%	2,500,000
Mauritania				
Irrigation.....	May 21, 1974	1976/1984	¾%	1,100,000
Education.....	January 29, 1974	1984/2024	¾%	3,800,000
Drought relief program.....	November 13, 1973	1983/2023	¾%	2,500,000
Mauritius				
Rural development.....	July 3, 1973	1983/2023	¾%	4,000,000
Nepal				
Agricultural settlement.....	June 13, 1974	1984/2024	¾%	6,000,000
Water supply.....	April 30, 1974	1984/2023	¾%	7,800,000
Niger				
Aviation.....	May 14, 1974	1984/2024	¾%	5,000,000
Highways (amendment).....	October 5, 1973	1981/2020	¾%	850,000
Highways (amendment).....	October 5, 1973	1979/2018	¾%	350,000
Drought relief program.....	November 13, 1973	1984/2023	¾%	2,000,000
Pakistan				
Ports.....	May 16, 1974	1984/2023	¾%	16,000,000
Flood rehabilitation program.....	March 12, 1974	1984/2024	¾%	35,000,000
Philippines				
Irrigation.....	April 30, 1974	1984/2024	¾%	9,500,000
Rwanda				
Livestock.....	November 6, 1973	1984/2023	¾%	3,800,000
Highways.....	May 28, 1974	1984/2024	¾%	6,300,000
Senegal				
Drought relief program.....	November 13, 1973	1984/2023	¾%	3,000,000
Somalia				
Livestock.....	February 5, 1974	1984/2023	¾%	10,000,000
Sudan				
Agriculture.....	May 28, 1974	1984/2024	¾%	10,700,000
Development finance.....	November 13, 1973	1984/2023	¾%	4,000,000
Railways.....	January 8, 1974	1984/2024	¾%	24,000,000
Syrian Arab Republic				
Irrigation.....	March 19, 1974	1984/2024	¾%	10,000,000
Tanzania				
Agriculture.....	January 8, 1974	1984/2023	¾%	17,500,000
Development finance.....	February 5, 1974	1984/2024	¾%	6,000,000
Thailand				
Irrigation.....	February 5, 1974	1984/2024	¾%	7,000,000
Togo				
Highways.....	November 27, 1973	1984/2023	¾%	8,700,000
Tunisia				
Urbanization.....	August 7, 1973	1983/2023	¾%	7,000,000
Upper Volta				
Agriculture.....	May 30, 1974	1984/2024	¾%	8,000,000
Highways (amendment).....	October 11, 1973	1982/2022	¾%	1,350,000
Drought relief program.....	November 13, 1973	1983/2023	¾%	2,000,000
Yemen Arab Republic				
Education.....	July 12, 1973	1983/2023	¾%	11,000,000
Industry.....	January 29, 1974	1984/2024	¾%	2,300,000
Water supply.....	January 29, 1974	1984/2024	¾%	6,250,000
Zaire				
Development finance.....	December 18, 1973	1984/2023	¾%	10,000,000
TOTAL				<u>\$1,095,200,000</u>

Bank/IDA Appendices

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Bank and IDA Lending Operations by Major Purpose and Region

Cumulative totals of loans and credits approved, June 30, 1974⁽¹⁾
(US\$ millions)

Purpose ⁽²⁾	Bank loans to current borrowers by region					Total
	Eastern Africa	Western Africa	Asia	Europe, Middle East, North Africa	Latin America, Caribbean	
AGRICULTURE, FORESTRY AND FISHING						
Agricultural credit.....	\$ —	\$ 3.5	\$ 39.5	\$ 114.5	\$ 128.9	\$ 286.4
Area development.....	20.4	7.0	189.0	12.0	24.1	252.5
Food and non-food crops.....	48.4	79.4	—	10.0	12.0	149.8
Irrigation, flood control and drainage.....	35.0	—	400.5	388.3	260.3	1,084.1
Forestry and fishing.....	7.9	—	42.3	32.0	8.7	90.9
Crop processing and storage.....	—	—	34.3	74.9	84.8	194.0
Livestock.....	5.3	11.6	7.5	50.0	493.0	567.4
Agricultural research.....	—	—	—	12.7	—	12.7
Other.....	5.6	—	26.3	2.3	22.7	56.9
Subtotal.....	\$ 122.6	\$ 101.5	\$ 739.4	\$ 696.7	\$ 1,034.5	\$ 2,694.7
EDUCATION.....	\$ 60.5	\$ 84.1	\$ 131.7	\$ 201.0	\$ 164.9	\$ 642.2
INDUSTRY.....						
Iron and steel.....	\$ —	\$ —	\$ 189.0	\$ 116.0	\$ 314.0	\$ 619.0
Pulp and paper.....	—	—	4.2	40.0	20.0	64.2
Fertilizer and other chemicals.....	—	—	67.0	84.0	—	151.0
Mining, other extraction.....	37.5	131.0	54.5	50.0	96.8	369.8
Small industry and industrial estates.....	—	—	—	—	—	—
Development finance companies.....	26.0	20.0	841.7	932.2	252.5	2,072.4
Other.....	—	0.6	—	209.4	22.5	232.5
Subtotal.....	\$ 63.5	\$ 151.6	\$ 1,156.4	\$ 1,431.6	\$ 705.8	\$ 3,508.9
NON-PROJECT.....	\$ 70.0	\$ 80.0	\$ —	\$ 133.0	\$ 60.0	\$ 343.0
POPULATION.....	\$ —	\$ —	\$ 5.0	\$ 16.5	\$ 5.0	\$ 26.5
POWER.....	\$ 355.0	\$ 278.2	\$ 1,025.5	\$ 903.5	\$ 3,126.0	\$ 5,688.2
TECHNICAL ASSISTANCE.....	\$ —	\$ —	\$ —	\$ 2.8	\$ 13.2	\$ 16.0
TELECOMMUNICATIONS.....	\$ 69.6	\$ 31.3	\$ 137.8	\$ 185.8	\$ 214.7	\$ 639.2
TOURISM.....	\$ —	\$ —	\$ 25.0	\$ 49.6	\$ 22.0	\$ 96.6
TRANSPORTATION.....						
Aviation.....	\$ 29.0	\$ 3.0	\$ 5.6	\$ —	\$ 62.0	\$ 99.6
Highways.....	179.7	177.7	409.0	644.6	1,237.1	2,648.1
Pipelines.....	—	—	56.2	148.9	23.3	228.4
Ports, waterways and shipping.....	81.3	151.3	255.8	381.3	127.1	996.8
Railways.....	197.9	63.2	799.9	464.5	439.5	1,965.0
Other.....	28.0	25.0	—	—	—	53.0
Subtotal.....	\$ 515.9	\$ 420.2	\$ 1,526.5	\$ 1,639.3	\$ 1,889.0	\$ 5,990.9
URBANIZATION.....	\$ —	\$ —	\$ 16.0	\$ 53.0	\$ 20.4	\$ 89.4
WATER SUPPLY AND SEWERAGE.....	\$ 19.1	\$ 14.5	\$ 117.1	\$ 205.4	\$ 351.0	\$ 707.1
TOTAL.....	\$ 1,276.2	\$ 1,161.4	\$ 4,880.4	\$ 5,518.2	\$ 7,606.5	\$ 20,442.7

⁽¹⁾ Except for the total shown in footnote 4, no account is taken of cancellations and refundings subsequent to original commitment; amounts of cancellations and refundings are shown by country and purpose in the Statements of Loans and of Development Credits, which are available on request. Bank loans of \$410 million to IFC are excluded. Due to rounding, totals may not agree with those shown in Appendix 2.

⁽²⁾ Operations have been classified by the major purpose they finance. Many projects include activity in more than one sector or subsector.

⁽³⁾ Includes \$497 million in European reconstruction loans made before 1952.

⁽⁴⁾ Cancellations, terminations and refundings total \$835 million. This figure includes \$145 million of credits made to Pakistan in earlier years for development projects in its former eastern wing, now Bangladesh. The credits were reactivated, in revised form, as credits to Bangladesh.

Appendix 1

IDA credits by region								
Eastern Africa	Western Africa	Asia	Europe, Middle East, North Africa	Latin America, Caribbean	Total	Total Bank and IDA to current borrowers	Bank loans to past borrowers	Total Bank and IDA
\$ 14.6	\$ 17.0	\$ 402.5	\$ 24.0	\$ —	\$ 458.1	\$ 744.5	\$ —	\$ 744.5
116.2	57.1	12.5	6.0	—	191.8	444.3	9.9	454.2
39.1	26.6	121.8	15.0	—	202.5	352.3	—	352.3
98.9	20.5	415.4	167.9	18.5	721.2	1,805.3	7.0	1,812.3
—	1.3	10.0	5.5	—	16.8	107.7	—	107.7
6.3	—	67.2	—	—	73.5	267.5	—	267.5
81.3	14.0	40.6	29.5	53.5	218.9	786.3	—	786.3
—	—	—	—	—	—	12.7	—	12.7
10.0	14.0	15.5	—	—	39.5	96.4	—	96.4
<u>\$366.4</u>	<u>\$150.5</u>	<u>\$1,085.5</u>	<u>\$247.9</u>	<u>\$ 72.0</u>	<u>\$1,922.3</u>	<u>\$ 4,617.0</u>	<u>\$ 16.9</u>	<u>\$ 4,633.9</u>
\$104.9	\$ 75.7	\$ 140.9	\$ 57.4	\$ 20.1	\$ 399.0	\$ 1,041.2	\$ —	\$ 1,041.2
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 619.0	\$ 155.3	\$ 774.3
2.0	—	—	—	—	2.0	66.2	—	66.2
—	—	173.0	20.4	—	193.4	344.4	—	344.4
2.5	—	—	—	—	2.5	372.3	—	372.3
4.0	—	26.0	2.3	—	32.3	32.3	—	32.3
49.5	—	70.0	52.0	6.2	177.7	2,250.1	32.8	2,282.9
—	—	—	18.7	—	18.7	251.2	184.1	435.3
<u>\$ 58.0</u>	<u>\$ —</u>	<u>\$ 269.0</u>	<u>\$ 93.4</u>	<u>\$ 6.2</u>	<u>\$ 426.6</u>	<u>\$ 3,935.5</u>	<u>\$ 372.2</u>	<u>\$ 4,307.7</u>
\$ —	\$ —	\$1,235.0	\$ —	\$ —	\$1,235.0	\$ 1,578.0	\$1,115.1 ⁽³⁾	\$ 2,693.1
\$ 12.0	\$ —	\$ 34.4	\$ 9.8	\$ —	\$ 56.2	\$ 82.7	\$ —	\$ 82.7
\$ 12.8	\$ 17.1	\$ 379.0	\$ 35.9	\$ 50.3	\$ 495.1	\$ 6,183.3	\$ 816.2	\$ 6,999.5
\$ —	\$ —	\$ 19.0	\$ —	\$ —	\$ 19.0	\$ 35.0	\$ —	\$ 35.0
\$ 21.4	\$ 8.9	\$ 331.5	\$ —	\$ —	\$ 361.8	\$ 1,001.0	\$ —	\$ 1,001.0
\$ —	\$ —	\$ 20.2	\$ 10.0	\$ —	\$ 30.2	\$ 126.8	\$ —	\$ 126.8
\$ —	\$ 5.0	\$ —	\$ 2.5	\$ —	\$ 7.5	\$ 107.1	\$ 16.2	\$ 123.3
280.0	182.7	194.4	62.0	93.3	812.4	3,460.5	430.0	3,890.5
—	—	—	—	—	—	228.4	—	228.4
32.0	6.0	183.6	—	—	221.6	1,218.4	49.8	1,268.2
30.0	34.9	499.2	38.5	8.0	610.6	2,575.6	295.3	2,870.9
—	—	—	—	—	—	53.0	—	53.0
<u>\$342.0</u>	<u>\$228.6</u>	<u>\$ 877.2</u>	<u>\$103.0</u>	<u>\$101.3</u>	<u>\$1,652.1</u>	<u>\$ 7,643.0</u>	<u>\$ 791.8</u>	<u>\$ 8,434.3</u>
\$ 3.0	\$ 8.0	\$ 35.0	\$ 9.3	\$ 20.0	\$ 75.3	\$ 164.7	\$ —	\$ 164.7
\$ 4.1	\$ 13.9	\$ 119.0	\$ 46.0	\$ 3.0	\$ 186.0	\$ 893.1	\$ —	\$ 893.1
<u>\$924.6</u>	<u>\$502.7</u>	<u>\$4,545.7</u>	<u>\$612.7</u>	<u>\$272.9</u>	<u>\$6,858.6</u>	<u>\$27,301.3</u>	<u>\$3,111.7</u>	<u>\$30,413.0⁽⁴⁾</u>

Approved Bank and IDA Lending Operations by Country

Cumulative Total, June 30, 1974
(US dollars)

	Bank loans		IDA credits		TOTAL	
	Number ⁽¹⁾	Amount	Number ⁽¹⁾	Amount	Number ⁽¹⁾	Amount
Afghanistan	—	\$ —	8	\$ 43,500,000	8	\$ 43,500,000
Algeria	8	262,500,000	—	—	8	262,500,000
Argentina	9	532,300,000	—	—	9	532,300,000
Australia	7	417,730,000	—	—	7	417,730,000
Austria	9	106,336,429	—	—	9	106,336,429
Bangladesh ⁽²⁾	—	—	19	286,950,000	19	286,950,000
Belgium	4	76,000,000	—	—	4	76,000,000
Bolivia	1	23,250,000	9	52,800,000	10	76,050,000
Botswana	3	41,500,000	6	15,750,000	9	57,250,000
Brazil	49	1,890,190,000	—	—	49	1,890,190,000
Burma	3	33,350,000	3	50,000,000	6	83,350,000
Burundi	1	4,800,000	4	8,280,000	5	13,080,000
Cameroon	9	90,400,000	5	67,250,000	14	157,650,000
Central African Republic	—	—	3	12,400,000	3	12,400,000
Chad ⁽³⁾	—	—	6	24,200,000	6	24,200,000
Chile	19	248,200,000	—	19,000,000	19	267,200,000
China, Republic of	14	329,400,000	4	15,300,000	18	344,700,000
Colombia	56	1,128,280,000	—	19,500,000	56	1,147,780,000
Congo, People's Republic of	1	30,000,000	6	22,130,000	7	52,130,000
Costa Rica	17	149,100,000	—	5,500,000	17	154,600,000
Cyprus	10	77,100,000	—	—	10	77,100,000
Dahomey	—	—	4	26,600,000	4	26,600,000
Denmark	3	85,000,000	—	—	3	85,000,000
Dominican Republic	1	25,000,000	3	22,000,000	4	47,000,000
East African Common Services Authority ⁽³⁾	9	229,800,000	—	—	9	229,800,000
Ecuador	12	116,100,000	5	36,900,000	17	153,000,000
Egypt, Arab Republic of	1	56,500,000	9	151,075,000	10	207,575,000
El Salvador	12	112,485,000	2	13,600,000	14	126,085,000
Equatorial Guinea	—	—	1	2,000,000	1	2,000,000
Ethiopia	12	108,600,000	16	179,600,000	28	288,200,000
Fiji	3	18,200,000	—	—	3	18,200,000
Finland	17	296,779,464	—	—	17	296,779,464
France	1	250,000,000	—	—	1	250,000,000
Gabon	5 ⁽⁴⁾	64,300,000	—	—	5	64,300,000
Gambia, The	—	—	3	5,800,000	3	5,800,000
Ghana	2	53,000,000	10	72,900,000	12	125,900,000
Greece	8	164,800,000	—	—	8	164,800,000
Guatemala	6	66,500,000	—	—	6	66,500,000
Guinea	3	75,200,000	—	—	3	75,200,000
Guyana	6	33,450,000	2	9,500,000	8	42,950,000
Haiti	1	2,600,000	2	10,350,000	3	12,950,000
Honduras	13	92,450,000	3	34,200,000	16	126,650,000
Iceland	10	47,014,000	—	—	10	47,014,000
India	42	1,327,610,000	61	2,810,600,000	103	4,138,210,000
Indonesia	1	48,000,000	38	561,800,000	39	609,800,000
Iran	31	1,158,200,000	—	—	31	1,158,200,000
Iraq	6	156,200,000	—	—	6	156,200,000
Ireland	7	122,500,000	—	—	7	122,500,000
Israel	10	249,500,000	—	—	10	249,500,000
Italy	8	399,628,000	—	—	8	399,628,000
Ivory Coast ⁽⁵⁾	11	129,900,000	1	7,500,000	12	137,400,000
Jamaica	11	102,200,000	—	—	11	102,200,000
Japan	31	862,900,000	—	—	31	862,900,000
Jordan	—	—	8	41,800,000	8	41,800,000
Kenya	10	144,800,000	15	122,800,000	25	267,600,000
Korea, Republic of	15	502,500,000	6	110,800,000	21	613,300,000
Lebanon	3	66,600,000	—	—	3	66,600,000
Lesotho	—	—	2	9,700,000	2	9,700,000
Liberia	8	26,850,000	2	11,000,000	10	37,850,000
Luxembourg	1	12,000,000	—	—	1	12,000,000

Appendix 2

	Bank loans		IDA credits		TOTAL	
	Number ⁽¹⁾	Amount	Number ⁽¹⁾	Amount	Number ⁽¹⁾	Amount
Malagasy Republic.....	4	\$ 26,100,000	5	\$ 67,200,000	9	\$ 93,300,000
Malawi.....	—	—	11	67,090,000	11	67,090,000
Malaysia.....	26	520,600,000	—	—	26	520,600,000
Mali ^{(5) (8)}	—	—	8	59,000,000	8	59,000,000
Malta.....	1	7,500,000	—	—	1	7,500,000
Mauritania ⁽⁸⁾	1	66,000,000	5	21,250,000	6	87,250,000
Mauritius.....	3	22,000,000	4	16,700,000	7	38,700,000
Mexico.....	37	1,860,100,000	—	—	37	1,860,100,000
Morocco.....	18	435,300,000	2	36,800,000	20	472,100,000
Nepal.....	—	—	7	33,700,000	7	33,700,000
Netherlands.....	8	244,000,000	—	—	8	244,000,000
New Zealand.....	6	126,800,000	—	—	6	126,800,000
Nicaragua.....	19	112,750,000	2	23,000,000	21	135,750,000
Niger ⁽⁸⁾	—	—	5	22,104,000	5	22,104,000
Nigeria.....	19	587,400,000	2	35,500,000	21	622,900,000
Norway.....	6	145,000,000	—	—	6	145,000,000
Oman.....	2	8,450,000	—	—	2	8,450,000
Pakistan ⁽⁶⁾	33	695,050,000	30	557,158,000	63	1,252,208,000
Panama.....	10	118,690,000	—	—	10	118,690,000
Papua New Guinea.....	5	55,500,000	4	25,200,000	9	80,700,000
Paraguay.....	6	22,350,000	4	26,500,000	10	48,850,000
Peru.....	27	339,025,000	—	—	27	339,025,000
Philippines.....	23	440,900,000	1	32,200,000	24	473,100,000
Portugal.....	5	57,500,000	—	—	5	57,500,000
Romania.....	1	60,000,000	—	—	1	60,000,000
Rwanda.....	—	—	4	22,400,000	4	22,400,000
Senegal ^{(5) (8)}	7	26,750,000	10	59,050,000	17	85,800,000
Sierra Leone.....	3	11,400,000	2	10,800,000	5	22,200,000
Singapore.....	13	156,300,000	—	—	13	156,300,000
Somalia.....	—	—	7	44,900,000	7	44,900,000
South Africa.....	11	241,800,000	—	—	11	241,800,000
Southern Rhodesia.....	5 ⁽⁷⁾	86,950,000	—	—	5	86,950,000
Spain.....	10	427,700,000	—	—	10	427,700,000
Sri Lanka.....	8	93,910,000	3	29,900,000	11	123,810,000
Sudan.....	6	134,000,000	7	120,450,000	13	254,250,000
Swaziland.....	2	6,950,000	1	2,800,000	3	9,750,000
Syrian Arab Republic.....	2	88,000,000	3	47,300,000	5	135,300,000
Tanzania.....	5	68,200,000	15	130,300,000	20	198,500,000
Thailand.....	30	658,900,000	3	32,000,000	33	690,900,000
Togo.....	—	—	2	12,400,000	2	12,400,000
Trinidad and Tobago.....	10	92,800,000	—	—	10	92,800,000
Tunisia.....	19	202,950,000	5	69,800,000	24	272,750,000
Turkey.....	26	751,400,000	10	178,500,000	36	929,900,000
Uganda.....	1	8,400,000	7	44,300,000	8	52,700,000
Upper Volta ^{(5) (8)}	—	—	7	30,700,000	7	30,700,000
Uruguay.....	11	155,200,000	—	—	11	155,200,000
Venezuela.....	13	383,300,000	—	—	13	383,300,000
Yemen Arab Republic.....	—	—	5	38,150,000	5	38,150,000
Yemen, People's Democratic Republic of.....	—	—	3	5,660,000	3	5,660,000
Yugoslavia.....	28	879,100,000	—	—	28	879,100,000
Zaire.....	5	120,000,000	8	72,000,000	13	192,000,000
Zambia.....	14	361,050,000	—	—	14	361,050,000
TOTAL.....	1,029	\$23,553,677,893	458	\$6,857,897,000	1,487	\$30,411,574,893

(1) Joint Bank/IDA operations are counted only once, as Bank operations. When more than one loan is made for a single project, they are counted only once.

(2) Includes \$144.782 million for credits which replaced 13 credits originally made to Pakistan.

(3) Jointly guaranteed by Kenya, Tanzania and Uganda.

(4) One of these loans, of \$35 million, is jointly guaranteed by Congo (People's Republic of), France and Gabon.

(5) One loan for \$7.5 million shown against Ivory Coast is shared with Mali, Senegal and Upper Volta.

(6) Excludes \$144.782 million for 13 credits which were replaced by credits made to Bangladesh.

(7) Two of these loans, totaling \$87 million, have been assigned in equal shares to Southern Rhodesia and Zambia but are counted only once, against Southern Rhodesia.

(8) One operation, involving credits for a total of \$14 million, is shared by the following countries: Chad—\$2 million; Mali—\$2.5 million; Mauritania—\$2.5 million; Niger—\$2 million; Senegal—\$3 million; Upper Volta—\$2 million. Amounts are included in each country's total, and the operation is counted only once, against Senegal.

Administrative Budgets of the Bank and IDA

Appendix 3

For the Fiscal Year ending June 30, 1975

	Actual expenses 1974	Budget 1975
	(Thousands of US dollars)	
BY ORGANIZATION UNIT		
Board of Governors.....	1,470	1,093
Executive Directors.....	4,060	4,913
Executive Offices.....	892	950
Regional Offices.....	58,653	70,257
Central Projects Staff.....	15,113	18,591
Cooperative programs, FAO, UNESCO, WHO and UNIDO.....	5,171	5,197
Development Policy Staff.....	15,010	16,440
Financial Staff.....	7,914	9,104
Audit and Evaluation Staff.....	1,464	1,780
Legal and Secretary's.....	3,280	3,773
External Relations.....	6,065	6,211
Economic Development Institute.....	3,262	4,002
Organization Planning & Personnel Management.....	15,111	17,368
Grants for consultants to member countries.....	463	604
Settlement of Investment Disputes, ICSID.....	128	160
Contingency allowance.....	—	3,308
TOTAL.....	<u>138,056</u>	<u>163,751</u>
Less: Reimbursements.....	-2,322	-4,607
IFC service and support fee.....	-1,534	-1,455
TOTAL IBRD/IDA.....	<u>134,200</u>	<u>157,689</u>
BY EXPENSE CATEGORY		
Personal services.....	88,406	102,701
Operational travel.....	15,363	18,593
Representation.....	417	557
Consultants.....	7,214	9,016
Contractual services.....	5,198	5,260
Overhead expenses:		
Other travel.....	5,751	7,730
Office occupancy.....	8,118	8,136
Communications.....	3,288	3,115
Other expenses.....	4,301	5,335
Contingency.....	—	3,308
TOTAL.....	<u>138,056</u>	<u>163,751</u>
Less: Reimbursements.....	-2,322	-4,607
IFC service and support fee ⁽¹⁾	-1,534	-1,455
TOTAL IBRD/IDA.....	<u>134,200</u>	<u>157,689</u>
Of which: IBRD.....	<u>91,020</u>	<u>110,087</u>
IDA ⁽²⁾	<u>43,180</u>	<u>47,602</u>

The Administrative Budgets for the fiscal year ending June 30, 1975, were prepared by the President and approved by the Executive Directors in accordance with the By-Laws of the Bank and IDA. For purposes of comparison, the administrative expenses incurred during the fiscal year ended June 30, 1974, are also shown.

⁽¹⁾In fiscal 1975, general assistance rendered by the Bank to IFC will be paid for by a service and support fee, which has been established for the year at \$1.5 million.

⁽²⁾The Association reimburses the Bank a single management fee for administrative expenses incurred on its behalf. The management fee, which comprises the Association's budget for the year, has been established at \$47.6 million for the fiscal year ending June 30, 1975.

Governors and Alternates of the Bank and IDA

Appendix 4

June 30, 1974

Member	Governor	Alternate
Afghanistan	Fazal Haque Khaliqyar	Mahammed Sarwar Haidar
Algeria	Ismail Mahroug	Rachid Hassam
Argentina	José Ber Gelbard	Alfredo Gómez-Morales
Australia	F. D. Crean	Sir John Phillips
Austria	Hannes Androsch	Walter Neudörfer
Bahamas ⁽¹⁾	Arthur D. Hanna	Reginald L. Wood
Bahrain ⁽¹⁾	Mahmood Al-Alawi	Yusuf Ahmed Shirawi
Bangladesh	Nurul Islam	Kafiluddin Mahmood
Belgium	Willy De Clercq	Robert Vandeputte
Bolivia	Victor Castillo Suárez ⁽²⁾	Jaime Rodrigo
Botswana	Q. K. J. Masire	F. G. Mogae
Brazil	Mário Henrique Simonsen	Paulo H. Pereira Lira
Burma	U Lwin	U Chit Moug
Burundi	Samuel Nduwingoma	Jean Ndimurukundo
Cameroon	Abdoulaye Maikano	Edouard M. Koulla
Canada	John N. Turner	Paul Gérin-Lajoie
Central African Republic	Jean Paul Mokodopo	Joseph Moutou-Mondziaou
Chad	Abdoulaye Dionouma	Mahamat Farris
Chile	Eduardo Cano Quijada	José Luis Zabala Ponce
China	Kwoh-Ting Li	Chun-Heng Tu
Colombia	Luis Fernando Echavarría	Jorge Mejía Palacio
Congo, People's Republic of	Bernard Banza-Bouiti	Gabriel Bokilo
Costa Rica	Porfirio Morera Batres	Claudio Alpizar V.
Cyprus	Andreas C. Patsalides	A. C. Afxentiou
Dahomey	Janvier Assogba	Abou Baba-Moussa
Denmark	Ove Guldberg	Wilhelm Ulrichsen
Dominican Republic	Diógenes H. Fernández	Luis M. Guerrero Gómez
Ecuador	Jaime Moncayo García	Guillermo Maldonado Lince
Egypt	Abdel Aziz Hegazy	Sherif Lotfy
El Salvador	Vicente Amado Gavidia Hidalgo	Atilio Vieyetz
Equatorial Guinea	Andrés Nko Ivasa	(vacant)
Ethiopia	Negash Desta	Teferra Wolde-Semait
Fiji	C. A. Stinson	Savenaca Siwatibau
Finland	Jóhannes Virolainen	Osmo Kalliala
France	Minister of Finance	André de Lattre
Gabon	Augustin Boumah	Edouard-Alexis M'Bouy-Boutzit
Gambia, The	I. M. Garba-Jahumpa	D. A. N'Dow
Germany, Federal Republic of	Hans Apel ⁽²⁾	Egon Bahr ⁽²⁾
Ghana	I. K. Acheampong	K. D. Fordwor
Greece	Adamantios Androutopoulos	Triantafyllos Eleftheriou
Guatemala	Eduardo Palomo E. ⁽²⁾	Jorge Lamport Rodil
Guinea	N'Faly Sangaré	Momory Camara
Guyana	F. E. Hope	Harold Wilkinson
Haiti	Emmanuel Bros	Antonio André
Honduras	Manuel Acosta Bonilla	Abraham Bennaton Ramos
Iceland	Ludvík Jósepsson	Halldór E. Sigurdsson
India	Y. B. Chavan	M. G. Kaul
Indonesia	Rachmat Saleh	Julianto Moeliodihardjo
Iran	Hushang Ansary ⁽²⁾	Jahangir Amuzegar
Iraq	Amin Abdul Karim Kalamchi	Sa'adi Ibrahim
Ireland	Richie Ryan	C. H. Murray
Israel	Moshe Sanbar	Avraham Agmon
Italy	Guido Carli	Paolo Baffi
Ivory Coast	Henri Konan Bédié	Abdoulaye Kone
Jamaica ⁽¹⁾	David H. Coore	G. Arthur Brown
Japan	Masayoshi Ohiro ⁽²⁾	Tadashi Sasaki
Jordan	Khalil Salim	Hashim Dabbas
Kenya	Mwai Kibaki	Philip Ndegwa
Khmer Republic	Khy Taing Lim	Hak Hèm Say
Korea	Duck Woo Nam	Sung Whan Kim
Kuwait	Abdul Rahman Salim Al-Ateegy	Abdlatif Y. Al-Hamad
Laos	Oudong Souvannavong	Houan Lianmongkhol

(continued)

⁽¹⁾ Member of the Bank only.

⁽²⁾ Appointment effective after June 30, 1974.

Governors and Alternates of the Bank and IDA (continued)

Appendix 4

June 30, 1974

Member	Governor	Alternate
Lebanon	Khalil Salem	Farid Solh
Lesotho	E. R. Sekhonyana	T. Thahane
Liberia	Stephen Tolbert	D. Franklin Neal
Libyan Arab Republic	Mohammad Zarrough Ragab	Nuri A. Baryun
Luxembourg	Raymond Vouel ⁽²⁾	Albert Dondelinger
Malagasy Republic	Raymond Randriamandranto	Céline Rabekoriana Rabevazaha
Malawi	D. T. Matenje	L. P. Anthony
Malaysia	Mohamed Rahmat	Chong Hon Nyan
Mali	Sékou Sangaré	Mahamar Oumar Maiga
Mauritania	Sidi Ould Cheikh Abdallahi	Mamadou Cissoko
Mauritius	Kher Jagatsingh	Ramaswamy Pyndiah
Mexico	José López Portillo	Gustavo Romero Kolbeck
Morocco	Abdelkader Benslimane	Mustapha Faris
Nepal	Bhekh B. Thapa	B. B. Pradhan
Netherlands	W. F. Duisenberg	J. P. Pronk
New Zealand ⁽¹⁾	H. G. Lang ⁽²⁾	N. V. Lough ⁽²⁾
Nicaragua	Guillermo Sevilla-Sacasa	Juan José Martínez L.
Niger	Boulama Manga	Abdoulaye Diallo
Nigeria	Shehu Shagari	A. A. Ayida
Norway	Per Kleppe	Christian Brinch
Oman	Mahmoud M. Murad	John S. Townsend
Pakistan	Mubashir Hasan	A. G. N. Kazi
Panama	Nicolás Ardito Barletta	Miguel A. Sanchiz
Paraguay	César Romeo Acosta	Augusto Colmán V.
Peru	Amilcar Vargas Gavilano ⁽²⁾	Luis Barúa Castañeda
Philippines	Cesar E. A. Virata	Alejandro Melchor, Jr.
Portugal ⁽¹⁾	Vasco Vieira de Almeida	José da Silva Lopes
Qatar ⁽¹⁾	Abdul Aziz Al-Thani	Madhat Abdul Latif Masud
Romania ⁽¹⁾	Florea Dumitrescu	Mihai Diamandopol
Rwanda	J. Chr. Nduhugirehe	J. D. Munyarukiko
Saudi Arabia	Ahmed Zaki Saad	(vacant)
Senegal	Ousmane Seck	Famara Ibrahima Sagna ⁽²⁾
Sierra Leone	C. A. Kamara-Taylor	B. Strasser-King
Singapore ⁽¹⁾	Hon Sui Sen	Howe Yoon Chong
Somalia	Mohamoud Yusuf Weirah	Omar Ahmed Omar
South Africa	T. W. de Jongh	G. P. C. de Kock
Spain	Nemesio Fernández Cuesta	Luis Coronel de Palma
Sri Lanka	N. M. Perera	C. A. Coorey
Sudan	Ibrahim Moneim Mansour	Mohamed Abdel Magid Ahmed
Swaziland	James Nxumalo	V. E. Sikhondze
Sweden	G. E. Sträng	Kjell-Olof Feldt
Syrian Arab Republic	Nourallah Nourallah	Abdul Hadi Nehlawi
Tanzania	W. K. Chagula	F. A. Byabato
Thailand	Sommaï Hoontrakool ⁽²⁾	Chalong Pungtrakul
Togo	Henri Dogo	Damien Eklu Natey
Trinidad and Tobago	G. M. Chambers	F. B. Rampersad
Tunisia	Mansour Moalla	Moncef Bel Hadj Amor
Turkey	Deniz Baykal	Ahmet Tufan Gül
Uganda	E. B. Wakhweya	Jino Geria
United Arab Emirates ⁽¹⁾	Hamdan Bin Rashid Al Maktoom	S. A. Wissa
United Kingdom	Gordon Richardson	D. W. G. Wass ⁽²⁾
United States	William E. Simon	William J. Casey
Upper Volta	Antoine Dakouré	Pierre Tahita
Uruguay ⁽¹⁾	Alejandro Vegh Villegas ⁽²⁾	Moisés Cohen Berro
Venezuela ⁽¹⁾	Gumersindo Rodríguez	Hector Hurtado
Viet-Nam	Le-Quang-Uyen	Nguyên Van Dong
Western Samoa	(vacant)	(vacant)
Yemen Arab Republic	Ahmed Abdo Said	Abdul Karim El-Eryani
Yemen, People's Democratic Republic of	Fadhle Mohsin Abdulla	Faraj Saeed bin Ghanem
Yugoslavia	Momcilo Cemović	Gavra Popović
Zaire	Baruti wa Ndwali	Mbeka Makosso
Zambia	A. B. Chikwanda	L. J. Mwananshiku

⁽¹⁾ Member of the Bank only.

⁽²⁾ Appointment effective after June 30, 1974.

Officers and Department Directors of the Bank and IDA

Appendix 5

July 1, 1974

President.....	Robert S. McNamara
Senior Vice President, Operations.....	J. Burke Knapp
Vice President and General Counsel.....	Aron Broches
Vice President, Finance.....	I. P. M. Cargill
Vice President, Organization Planning and Personnel Management.....	Bernard Chadenet
Vice President, Development Policy.....	Hollis B. Chenery
Vice President, External Relations.....	William D. Clark
Vice President.....	Sir Denis Rickett
Vice President.....	Mohamed Shoaib
Regional Vice President, Latin America and the Caribbean.....	Gerald Alter
Vice President, Projects Staff.....	Warren C. Baum
Regional Vice President, East Asia and Pacific.....	Bernard R. Bell
Regional Vice President, Europe, Middle East and North Africa.....	Munir P. Benjenk
Regional Vice President, Western Africa.....	Roger Chaufourmier
Regional Vice President, Eastern Africa.....	Syed S. Husain
Regional Vice President, South Asia.....	Mervyn L. Weiner
Director, Programming and Budgeting Department.....	John H. Adler
Secretary.....	P. N. Damry
Controller.....	K. Georg Gabriel
Treasurer.....	Eugene H. Rotberg
Director, Regional Projects Department, Eastern Africa.....	Hans A. Adler
Director, Education Department.....	Duncan S. Ballantine
Director, Country Programs Department II, Europe, Middle East and North Africa.....	Maurice P. Bart
Director, European Office.....	Jean P. Carrière
Director, Personnel Department.....	R. A. Clarke
Director, Country Programs Department II, Western Africa.....	F. X. de la Renaudière
Director, Country Programs Department, South Asia.....	William Diamond
Director, Development Research Center.....	John H. Duly
Special Representative for Inter-American Organizations.....	Luis Escobar
Special Representative for United Nations Organizations.....	Ernesto Franco-Holguin
Director, Industrial Projects Department.....	Hans Fuchs
Senior Operations Adviser, Office of the Senior Vice President, Operations.....	Raymond J. Goodman
Director, Resident Staff in Indonesia.....	David L. Gordon
Executive Secretary, Consultative Group on International Agricultural Research.....	Harold N. Graves
Director, Development Economics Department.....	Ravi Gulhati
Director, Development Finance Companies Department.....	Douglas Gustafson
Director, Policy Planning and Program Review Department.....	Mahbub ul Haq
Director, International Relations Department.....	Michael L. Hoffman
Director, Transportation and Urban Projects Department.....	Edward V. K. Jaycox
Director, Economic Development Institute.....	Andrew M. Kamarck
Director, Population and Nutrition Projects Department.....	K. Kanagaratnam
Director, Organization Planning Department.....	James M. Kearns
Director, Regional Projects Department, East Asia and Pacific.....	Syed Salar Kirmani
Director, Regional Projects Department, Latin America and the Caribbean.....	A. David Knox
Director, Country Programs Department I, Latin America and the Caribbean.....	Adalbert Krieger
Director, Country Programs Department I, Eastern Africa.....	Michael L. Lejeune
Director, Information and Public Affairs Department.....	John E. Merriam
Director, Computing Activities Department.....	Mervin E. Muller
Associate General Counsel.....	Lester Nurick
Director, Country Programs Department I, Europe, Middle East and North Africa.....	Martijn J. W. M. Pajmans
Director, Internal Auditing Department.....	Lawrence N. Rapley
Director, Public Utilities Department.....	Yves Rovani
Director, Special Studies, East Asia and Pacific.....	Robert Sadove
Director, Tokyo Office.....	Aritoshi Soejima
Director, Development Policy.....	Ernest Stern
Director, Regional Projects Department, Western Africa.....	Wilfried P. Thalwitz
Director, Economic Analysis and Projections Department.....	Wouter Tims
Director, Tourism Projects Department.....	Stokes M. Tolbert
Director, Administrative Services Department.....	James E. Twining, Jr.
Director, Regional Projects Department, South Asia.....	Suitbertus L. M. van der Meer
Director, Projects Advisory Staff.....	Herman G. van der Tak
Director, Country Programs Department, East Asia and Pacific.....	Gregory B. Votaw
Director, Regional Projects Department, Europe, Middle East and North Africa.....	Willi A. Wapenhans
Director, Country Programs Department II, Eastern Africa.....	Michael R. Wiehen
Director, Country Programs Department II, Latin America and the Caribbean.....	Gunter K. Wiese
Director, Operations Evaluation Department.....	Christopher R. Willoughby
Director, Country Programs Department I, Western Africa.....	E. Peter Wright
Director, Agriculture and Rural Development Department.....	Montague Yudelman

Bank and IDA Offices

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Afghanistan: World Bank Resident Mission, P.O. Box 211, Kabul, Afghanistan

Bangladesh: World Bank Resident Mission, Bangladesh Bank Building (4th Floor), Motijheel Commercial Area, G.P.O. Box 97, Dacca, Bangladesh

Colombia: Resident Mission Banco Mundial, Seguros Tequendama Building, Carrera 7 No. 26-20, Piso 25, Bogotá D.E., Colombia

Ethiopia: World Bank Resident Mission, I.B.T.E. New Telecommunications Building (First Floor), Churchill Road, Addis Ababa, Ethiopia; mailing address—IBRD Mission, P.O. Box 5515

Ghana: World Bank Resident Mission, c/o Bank of Ghana, Head Office, High Street (5th Floor), Accra, Ghana; mailing address—P.O. Box M 27

India: World Bank Resident Mission, 53 Lodi Estate, New Delhi 3, India; mailing address—P.O. Box 416

Indonesia: World Bank Resident Staff, Taman Suropati 2, Bappenas Building, Jakarta, Indonesia; mailing address—P.O. Box 324/DKT

Nepal: World Bank (IBRD) Resident Mission, R.N.A.C. Building (First Floor), Kathmandu, Nepal; mailing address—P.O. Box 798

Nigeria: World Bank Resident Mission, Raymond House, 97/105 Yakubu Gowon Street, Lagos, Nigeria; mailing address—P.O. Box 127

Pakistan: World Bank Resident Mission, P.O. Box 1025, Islamabad, Pakistan

Sudan: World Bank Resident Mission, 28 Block 2H, Baladia Street, Khartoum, Sudan; mailing address—P.O. Box 2211

Tanzania: World Bank Resident Mission, N.I.C. Building (Seventh Floor), Dar es Salaam, Tanzania; mailing address—P.O. Box 2054

Thailand: World Bank Regional Mission, Udom Vidhya Building, 956 Rama IV Road, Sala Daeng, Bangkok 5, Thailand

Zaire: World Bank Resident Mission, P.O. Box 14816, Kinshasa, Republic of Zaire

Zambia: World Bank Resident Mission, P.O. Box 4410, Lusaka, Zambia

Corrigenda:

1. In Table 9B on page 94, the last figure in the last column on the right should read 17,482.4.
2. In Appendix 4, the correct name of the Governor for Japan is Masayoshi Ohira.

World Bank

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