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AUG. 25
1982

IFC ANNUAL REPORT—ADVANCE COPY

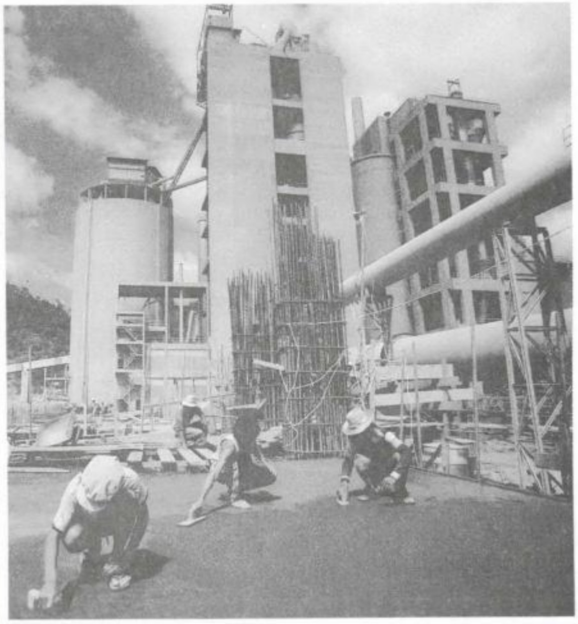
This black-and-white edition of IFC's Fiscal 1982 Annual Report has been specially prepared for limited distribution in advance of the Annual Meeting of the Board of Governors. The full color edition will be available early in September.

IFC

International Finance Corporation
Annual Report
1982

IFC

International Finance Corporation
Annual Report
1982



Article One
Articles of Agreement

"The purpose of the Corporation is to further economic development by encouraging the growth of productive private enterprise in member countries, particularly in the less developed areas, thus supplementing the activities of the International Bank for Reconstruction and Development....In carrying out this purpose, the Corporation shall:

i. in association with private investors, assist in financing the establishment, improvement and expansion of productive private enterprises which would contribute to the development of its member countries by making investments, without guarantee of repayment by the member Government concerned, in cases where sufficient private capital is not available on reasonable terms;

ii. seek to bring together investment opportunities, domestic and foreign private capital, and experienced management; and

iii. seek to stimulate, and to help create conditions conducive to, the flow of private capital, domestic and foreign, into productive investment in member countries.

"The Corporation shall be guided in all its decisions by the provisions of this Article."

International Finance Corporation

Contents

June 30, 1982

To the Board of Governors:

The Board of Directors of the International Finance Corporation has had this Annual Report prepared for the fiscal year ending June 30, 1982, in accordance with the By-Laws of the Corporation. Mr. A. W. Clausen, President of the Corporation and Chairman of the Board of Directors, has submitted this Report, together with accompanying audited financial statements, to the Board of Governors.

IFC continued to expand its promotional and investment activities in the developing countries. The number of projects approved by the Board of Directors increased and the amount of investment approved for IFC's own account was about the same as the previous year. The Corporation maintained its profitability and its sound financial position and is well on the way to achieving the overall goals established by the current five-year program.

The Board expresses its appreciation to the staff of IFC for the high standards of their performance during the year and their dedication to the purposes of the Corporation.

Directors	Alternates
Yesufu S. M. Abdulai	William Smith
John Anson	Derek Frank Smith
David Blanco	Alberto Sola
Jacques de Groote	Turan S. Kivanç
Bruno de Maulde	Robert Hudry
Earl G. Drake	Reno J. Brown
Said E. El-Naggar	Abdulrahman M. Sehaibani
Jaime Garcia-Parra	José-Germán Cárdenas
Ismail Khelil	Saad M. Zerhouni
Anthony IJ. A. Looijen	Miodrag M. Stojiljković
Hans Lundström	Ole L. Poulsen
Stanley A. McLeod	Anthony S. Cole
Joaquín Muns	Roberto Mayorga-Cortes
Reinhard Münzberg	Norbert Schmidt-Gerritzen
Giorgio Ragazzi	Rodrigo M. Guimarães
H. N. Ray	M. Syeduz-Zaman
Armand Razafindrabe	Nicéphore Soglo
Wang Liansheng	Chen Hui
Kenji Yamaguchi	Kimiaki Nakajima
Zain Azraai	Aung Pe

Officers of the Corporation

A. W. Clausen .... President
Hans A. Wuttke .... Executive Vice President

Judhvir Parmar .... Vice President
José E. Camacho .... Vice President and General Counsel
Makarand V. Dehejia .... Vice President
Jose M. Ruisanchez .... Vice President
Timothy T. Thahane .... Secretary
Marshall Burkes .... Department Director

Advisory Panel

IFC's international advisory panel meets regularly with the Corporation's management and frequently discusses with the Executive Vice President the banking activities of the Corporation.

Members of the panel are:

Jan Ekman, President
Svenska Handelsbanken
Stockholm
Dr. Wilfried Guth, Speaker of the
Managing Board
Deutsche Bank, A.G., Frankfurt
Jean-Yves Haberer, President
and Managing Director
Banque de Paris
et des Pays-Bas, S.A.
Paris
Yusuke Kashiwagi, Chairman
The Bank of Tokyo, Ltd.
Tokyo
Lord Roll of Ipsden, Chairman
S. G. Warburg and Co. Ltd.
London
Robert V. Roosa, Partner
Brown Brothers Harriman and Co.
New York

Summary of Operations

The Corporation further increased its activities and continued to diversify into new types of businesses during the fiscal year. The number of projects undertaken rose 16 percent from 56 during the previous year to 65. At the same time, by increasing its investment promotion work by 15 percent, the Corporation built a solid base for future expansion. The number of ventures currently under consideration, especially in the lower-income countries, is at an all-time high. In spite of the lackluster economic growth that prevailed in many countries, the dollar volume of approved investments for the Corporation's own account of $424.2 million was about the same as last year's.

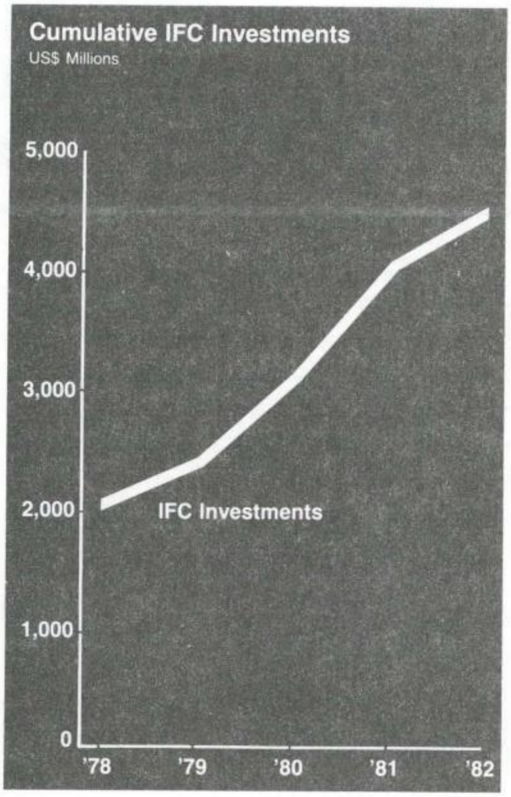
The Past Five Years

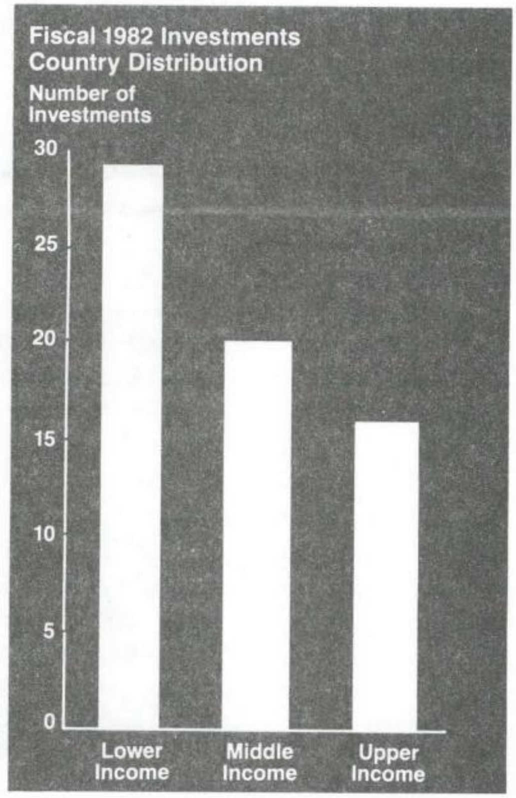
(US$ millions)

	1978	1979	1980	1981	1982
OPERATIONS					
Approved Investments					
number of projects	41	48	55	56	65
number of countries	31	33	30	34	31
amount (gross $'s)	338	425	681	811	612
total project costs	1,872	1,714	2,377	3,340	2,936
Cumulative Approvals					
number of projects	429	477	532	588	653
amount (gross $'s)	2,146	2,571	3,252	4,063	4,675
total project costs	11,062	12,776	15,153	18,493	21,429
syndications	688	890	1,157	1,559	1,747
Investments Held					
number of firms	225	253	288	314	333
loans	799	889	1,159	1,374	1,551
equity	184	223	245	273	284
total	983	1,112	1,404	1,647	1,835
RESOURCES AND INCOME					
Capitalization					
borrowings (cumulative)	462	455	438	509	531
paid-in capital	144	229	307	392	497
accumulated earnings	100	119	140	159	181
Earnings					
net income	12.5	19.2	20.7	19.5	21.6

The total dollar volume of approved investments of $611.8 million was lower than the previous year. This was attributable to the lack of a few larger projects which, due to the unattractive investment climate that prevailed in many developing countries throughout the year, could be realized jointly with other investors. The Corporation syndicated $187.6 million and thus maintained its objective of syndicating about one-third of its loans with commercial financial institutions.

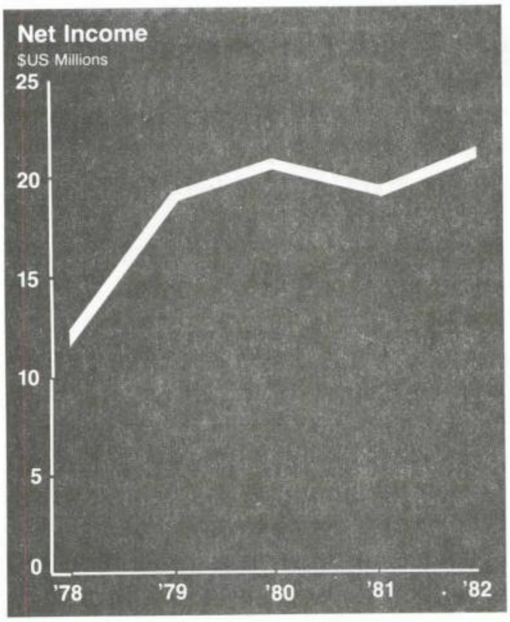
The Corporation continued to concentrate greater promotional efforts in its smaller and poorer member countries, particularly in Africa, where projects tend to be smaller. As a result of this effort, almost half of the projects approved by the Board of Directors were in countries with per capita incomes of less than $760 per year.

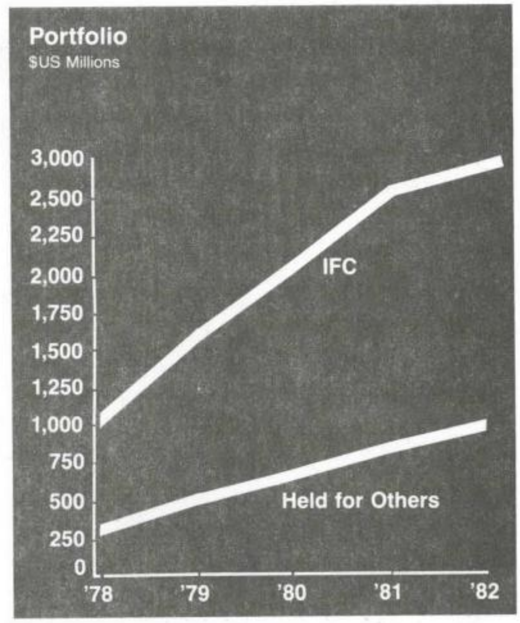




Although in many cases the least developed will be particularly hard pressed in the coming year, the Corporation believes there continues to be investment opportunities in these countries which can be promoted and financed.

IFC continued to broaden its investment activities. Manufacturing, which in the past has accounted for about two-thirds of the number of projects, was about half of the total for the year. Investments in agribusinesses and financial institutions were proportionally higher.





Disbursements during the year were $530.2 million. Of this, $506.9 million was for loans, including amounts disbursed for participants in IFC loans, and $23.3 million was for equity. Repayments and sales were $97 million, so that net disbursements equaled $433.2 million.

Net earnings were $21.6 million compared with $19.5 million the previous fiscal year.

IFC's investment portfolio is well diversified in terms of both industry and country. At the end of the year, the Corporation's investment portfolio (including undisbursed balances) held for its own account was $1,835 million, up $188 million from the previous year. In addition, $1,066.8 million was being held and administered for participants in IFC financing.

Because of IFC's rapid growth in recent years, much of the portfolio is not yet mature. Of the 333 companies in the portfolio, 70 have been added within the past three years. A number of these projects are still under construction, and the loans to these companies are still within the grace periods; in many cases they are just beginning to provide the Corporation with a return on its equity investment.

As was the case during the previous year, a number of companies in which the Corporation has invested faced operating and debt servicing problems attributable in part to foreign exchange shortages and other economic problems in their countries. Recognizing these circumstances, the Corporation added $22.5 million to its Reserve Against Losses; $250,000 was written off as unrecoverable. This brought the Reserve to $84 million which is considered adequate. In order to maintain a strong portfolio, the Corporation continues to increase its portfolio supervision efforts.

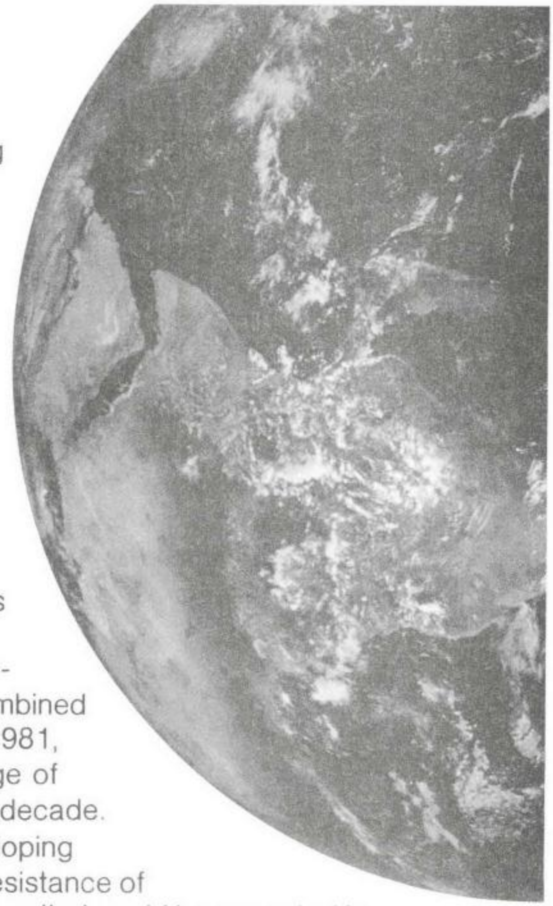
The terminal date for subscriptions and payments to the capital increase approved by the Board of Governors in November 1977 is August 1, 1982. One hundred and six countries were allocated 468,800 shares ($468.8 million). By the end of the fiscal year, 80 of the countries had subscribed to 412,500 shares ($412.5 million). Payments of $105.3 million were received during the year, bringing the total paid-in capital to $497.4 million.

The Corporation borrowed $390 million equivalent from the International Bank for Reconstruction and Development (The World Bank) during the year. A total of $48.2 million was drawn down. In line with the recent policy change to provide funds in other than U.S. dollars, $230 million equivalent was made available in Swiss francs, Deutsche marks and Japanese yen.

Three countries, Belize, St. Lucia and Vanuatu, took up membership in IFC during the year, bringing the total to 122.

As noted in this Report, the global investment climate continues to be affected by sluggish growth, inflation, and volatile interest rates. These economic conditions seriously complicate the task of developing countries to gain access to the various sources of external capital needed to finance their growth and development. The IFC, established precisely for the purpose of serving as a catalyst for private investment in developing countries, has a vital role to play in these difficult circumstances. Not only will the Corporation continue in its traditional role of providing technical assistance and capital to viable businesses in the private sector, it also will develop new vehicles for mobilizing other sources of capital for private enterprises in the Corporation's member countries.

Investment Climate



Introduction

The economies of the developing countries during 1981 and early in 1982 were again heavily influenced by the poor economic performance of the major industrial countries, which continued to labor under the combined yoke of deepening recession, increasing unemployment, high interest rates and continuing inflationary pressures.

Compared to an average annual increase in GNP of 5.1 percent in the 1960's and 3.3 percent in the last decade, industrial country growth was only about 1.1 percent in 1981. The developing countries as a group[1] performed only slightly better, with a combined growth rate of about 2.2 percent in 1981, significantly below the annual average of about 6 percent during the previous decade.

The effect of slow growth in developing countries was compounded by the resistance of interest rates to the downward pressure that could be expected to accompany sluggish economic growth. Although restrictive monetary policies in the industrialized countries succeeded in reducing inflation rates, the persistence of high interest rates has accentuated the external debt burden for those developing countries that borrow from international financial markets. Thus, for example, six-month LIBOR averaged about 16.6 percent in the second half of 1981, compared to about 14.3 percent in the same period in 1980 and 10.8 percent in the corresponding period in 1978. More significantly, the real rate of interest on U.S. dollar funds increased from an already high 5.6 percent in 1980 to 7.4 percent in 1981. In the early months of 1982 these high rates persisted. As a result of higher real and nominal interest rates, oil importing developing country payments of interest on medium and long-term external debt increased by about $10,000 million from 1980 to 1981, accentuating the already serious balance of payments difficulties many of these countries are experiencing.

These factors contributed to mounting current account deficits in oil importing developing countries. Their combined current account deficit, excluding official

[1] Throughout this discussion, World Bank definitions are employed for all categories of developing countries. High income oil exporting countries (Iraq, Kuwait, Libya, Qatar, Saudi Arabia and the United Arab Emirates) are not included in any of these developing country categories.

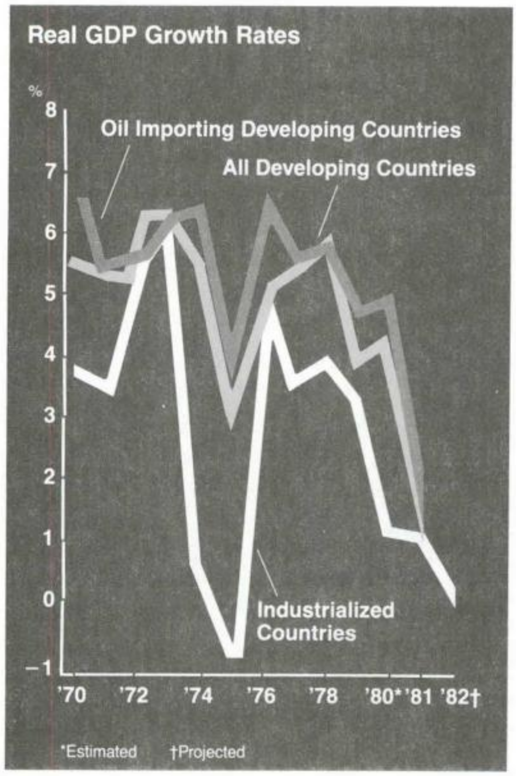
transfers, increased from $70,200 million in 1980 to $82,300 million in 1981. However, the performance was mixed, with the greatest setbacks occurring among countries that must rely on a limited number of primary product exports which are more sensitive than manufactured exports to changing patterns of industrial country demand. It is noteworthy that the World Bank's international price index for primary commodities (excluding petroleum) fell in 1981 to the lowest level in real terms that has been reported in the post-World War II era, and it continued to fall in early 1982.

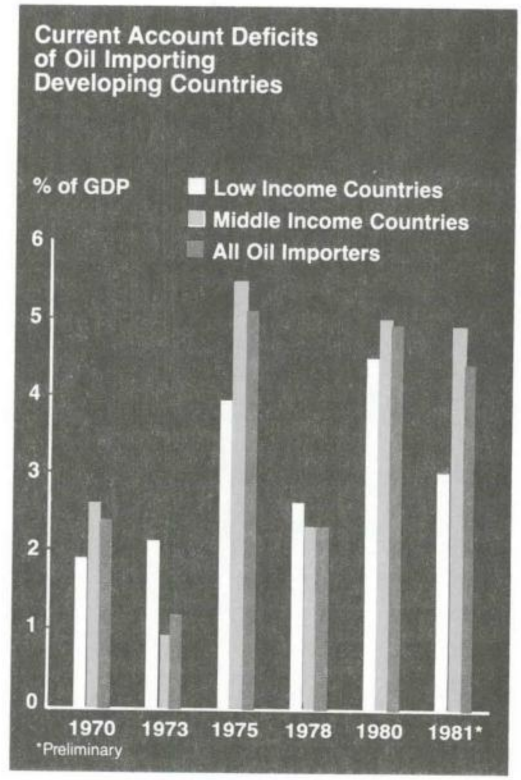
Some oil exporting developing countries have begun to experience balance of payments difficulties as a result of declines in oil prices and output since January 1981. After being in virtual balance in 1980, the combined current account position of this group of countries shifted to a deficit estimated at about $22,000 million in 1981. A continuation of this trend in early 1982 suggests that a number of these countries may step up borrowing on international capital markets in order to avoid curtailing their development programs.

Growth in the volume of world merchandise trade was stagnant in 1981, after increasing by only 1 percent the previous year. This reflected the slowdown in economic growth in the industrialized countries, with its consequent dampening of demand for imported goods, and the slackening demand for oil, which caused the oil exporting developing countries to experience a decline in their merchandise exports from the previous year. The strains caused by this slow growth continue to raise the spectre of a new round of protectionist measures which, if adopted, could seriously undermine the multilateral framework for trade cooperation that has emerged over the past two decades.

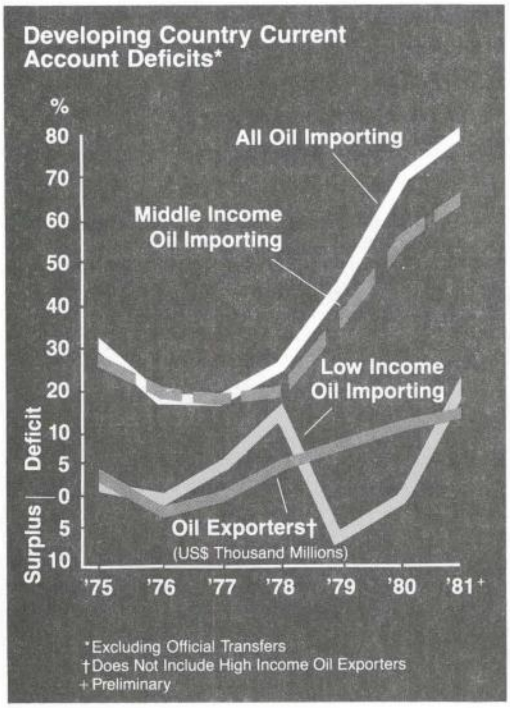
External capital flows to all developing countries in 1981 reflected increasing reliance on private resources to finance current account deficits. Net disbursements of medium and long-term loans from private financial sources increased more than 30 percent between 1980 and 1981 to $44,400 million, after evidencing a decline in absolute terms between 1979 and 1980. Private direct investment also increased sharply, growing from about $10,000 million in 1980 to $13,400 million last year, which represented a gain of 34 percent. Net disbursements from official sources grew by 11 percent in 1981, totalling $37,200 million. Thus, the role of private capital was increasingly important, constituting almost two-thirds of total net external capital flows to developing countries in 1981 compared to less than 60 percent the year before.

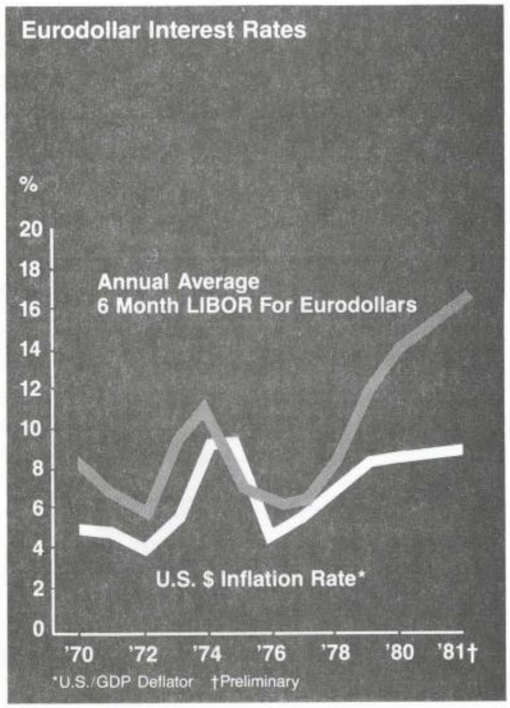
Any discussion of developing countries as a single group must be accompanied by an obvious and oft-repeated caveat. Performance differences from region to region and country to country may be vast. The past year was no exception. For example, preliminary data for 1981 suggests that the increase in real GNP from the previous year for developing countries of South Asia was about 5.9 percent. On the other hand, sub-Saharan Africa continued to





experience low growth, and the Latin American and Caribbean region had a very disappointing year. Poor economic performance in these latter groups of countries reflected slackening industrial country demand for their exports and the large drain on foreign exchange to pay for imports and service external debt. The outlook for these countries depends at least in part on how rapidly and broadly the industrialized countries recover from the recession, as well as on other exogenous factors such as international interest rates and the price of oil.





Developing Country Access to Private Capital Markets

One of the most distinctive features of the financial interaction between nations in the last decade was the increasingly dominant role played by private capital flows in financing development, principally through the Eurocurrency market. According to available statistics, this market grew from a relatively modest net size of about $100,000 million in 1972 to approximately $750,000 million in 1980 and about $900,000 million by the end of last year. Since 1973, medium-term private international bank loans and international bond issues have, on average, financed about two-thirds of the global current account deficits, including additions to reserves of deficit countries.

For oil importing developing countries, private international capital markets have become particularly important in financing their growing combined current account deficit. Medium and long-term loans from private financial institutions financed about $23,000 million of their net capital inflows in 1980 and $30,000 million in 1981.

Throughout this period, as developing country demands for external sources of credit continued to grow, serious questions were raised concerning the durability of the international financial markets and particularly their capacity to "recycle" funds efficiently from capital exporting countries to the oil importing developing nations of the world. This concern was not surprising in view of the fact that the Eurocurrency market was relatively new, it was experiencing enormous growth, and it was adjusting to a role to which it was unaccustomed. Under these circumstances, uncertainty developed about the appropriate financial intermediation role to be played by private capital markets. Moreover, as the importance of these markets increased, concern mounted among private bankers and government officials that political and economic instability in one or a number of key borrowing countries could seriously test the resilience of the international financial system.

In retrospect it appears that the marketplace performed well. Throughout the decade, although there were occasional disruptions, surplus capital flowed steadily and smoothly through private financial intermediaries. Although deficits mounted, the oil importing nations as a group, with some important exceptions, such as some countries in sub-Saharan Africa, managed to sustain respectable rates of economic growth, fueled in part by infusions of external capital channeled through international capital markets.

There can be no question that private financial markets will continue to play an important role in facilitating the orderly flow of funds from countries with a capital surplus to others in deficit. However, the international capital markets will have to respond to a changing economic and political environment and they must overcome new institutional constraints that have emerged in large measure as a result of the heavy private banking activity of the recent past. It is important, therefore, to identify some of the more significant changes and to note how they are likely to affect the access of developing countries to private sources of capital in the years ahead.

Significant Changes Some developing countries which were relatively heavy users of private financial markets in the 1970's may face increased competition for funds from international capital markets in the future. This began to occur in 1981 when the industrialized countries began to recapture a larger portion of the total supply of funds. Although there was a large increase in the overall volume of borrowing, the largest share of the increase went to industrialized countries. Whereas in 1979 their share of total gross international borrowing was about 48 percent, it increased to 60 percent in 1980 and last year they took 69 percent of the total market, or $128,000 million. In contrast, the non-OPEC developing countries saw their share of the total market shrink from 34 percent in 1979, to 22 percent in 1980, and 20 percent last year. If these trends continue, some developing countries can expect to encounter increasingly stiff competition for capital in international financial markets.

One important factor that will influence the future willingness of private financial institutions to lend to developing countries is the profitability of such transactions—measured primarily by the spread of the lending rate over LIBOR or another reference rate—relative to perceived risks and alternative sources of demand for credit. Spreads have been at historically low, and probably unsustainable, levels during the past three years for the majority of developing country borrowers. In all probability, spreads for many developing country borrowers will widen.

The heavy total foreign borrowing of developing countries, and the resulting build-up of their debt over the past decade, is an important factor influencing the perceived risk of new lending. Between 1979 and the end of 1981 the combined current account deficit of the oil importing developing countries almost doubled, increasing from about $47,000 million to about $82,000 million. Partly as a consequence of financing these amounts, debt service increased about 55 percent between 1979 and 1981, from about $42,000 million to an estimated $65,000 million, and the problems associated with servicing this debt were becoming unmanageable for a growing number of nations. Eight countries were compelled to seek debt relief within the framework of "creditor clubs", as opposed to three in 1980 and more than in any year since 1956 when multilateral debt relief sessions first took place. As a result of this build-up of debt, coupled with concern about the possibility of costly rescheduling procedures, many private lenders have concluded that they have reached their lending limits in certain countries.

Response of Banks The rapid growth of the Eurocurrency markets throughout the 1970's also has been a contributing factor in the increased attention paid by regulatory authorities, as well as the managers of international commercial banks, to the adequacy of bank capital in relation to other aggre-

gates on the balance sheets. Although the evidence varies for banks from country to country, it appears that many experienced a deterioration of their capital-asset ratios. The relatively low level of these ratios for some important banks is likely to affect decisions on future lending activity.

As some international bankers reduce the growth of their international exposure, however, there is the possibility that other private lenders that were not as active in the 1970's will emerge to take their place. For example, Arab banks have become a significant factor in the Eurocurrency market, as direct lenders to developing countries as well as suppliers of funds. The growing role of Arab bank lending to non-oil importing developing countries in recent years is reflected in the fact that these lenders have increasingly taken the management position in syndicated credits to developing countries. Arab bank-led syndications accounted for more than 20 percent of Eurocurrency credits to non-OPEC developing countries in 1981, compared to less than 10 percent prior to 1980.

A number of additional factors may influence the foreign capital requirements of developing countries in the near term. Oil prices and nominal interest rates are below their peak levels of 1981, while the growth in other imports of a number of oil importing developing countries is expected to be moderate in the near future as a result of the implementation of adjustment programs. Also, the export performance of non-oil developing countries should benefit in varying degrees if there is a resurgence of economic growth in industrialized countries. One or more of these factors could reduce some of the requirements of these countries for external financing, thereby alleviating some of the pressure on the financial markets.

There is the offsetting possibility that oil importing developing countries may have to compete in the credit markets with some nations that used to be major capital exporters. Lower production levels combined with lower prices have changed the balance of payments position of a number of oil exporting countries. A number of OPEC countries began to experience current account deficits in 1981. If this trend continues, some of these nations can be expected to compete with other borrowers in international capital markets in order to finance mounting external deficits. Moreover, as the OPEC surplus shrinks, the supply of funds in the Eurocurrency markets may also contract.

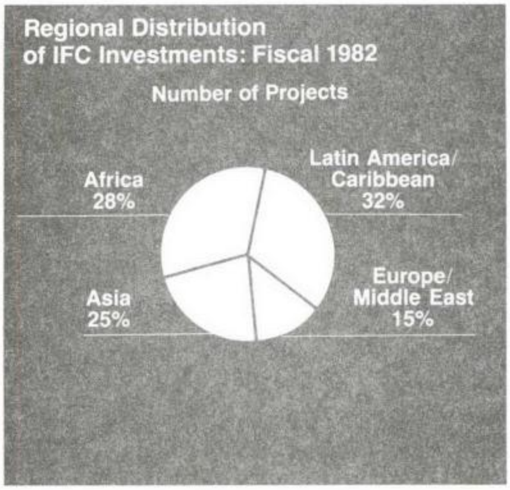
Future Uncertainty While recent declines in oil prices and nominal interest rates will provide some needed relief to developing country borrowers, unexpected developments can make the optimism short-lived. In the case of oil prices, which have declined from their January 1981 peaks, one of the principal lessons of the past ten years is that it is extremely difficult to forecast accurately the supply and demand for energy. On the one hand, global economic recovery would be likely to restore greater firmness to oil prices, and perhaps reverse the current trend. And even though interest rates have declined from their 1981 peaks, rates are likely to be higher on the average in the 1980's than in the last decade. On the other hand, there appears to be an encouraging and widespread conservation trend, including shifts to alternative energy sources that may continue to place downward pressure on oil prices.

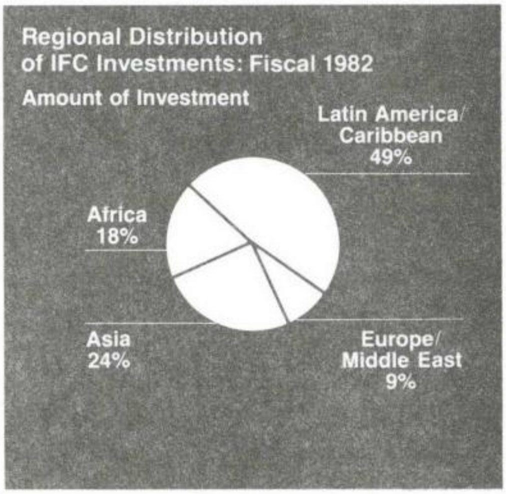
This analysis suggests that the 1980's will be marked by continuous shifts in the supply and demand for credit in the international capital markets. In a global economic environment that appears to be more volatile and less predictable than at any time in recent memory, it is not possible to forecast with precision the future availability and price of private capital for the developing countries as a group or individually. The international capital markets seem to be reaching a mature stage of development with a multiplicity of sources of funds and multiple borrowers vying for resources.

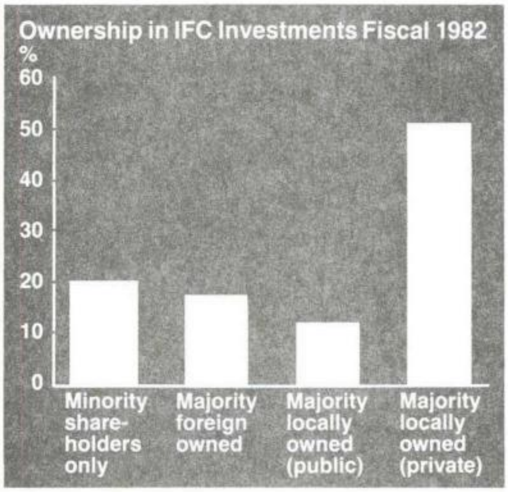
In any case, it is quite certain that the needs of developing countries for external sources of capital will continue to be substantial, and it is equally clear that these needs will be, for the foreseeable future, inadequately served by official development assistance or concessional financial flows from multilateral lending institutions. Thus, although the scenario of the 1970's is unlikely to repeat itself due to a different configuration of global problems and opportunities, there can be little doubt that the private international capital markets will continue to play a vitally important role in channeling funds efficiently to the developing world.

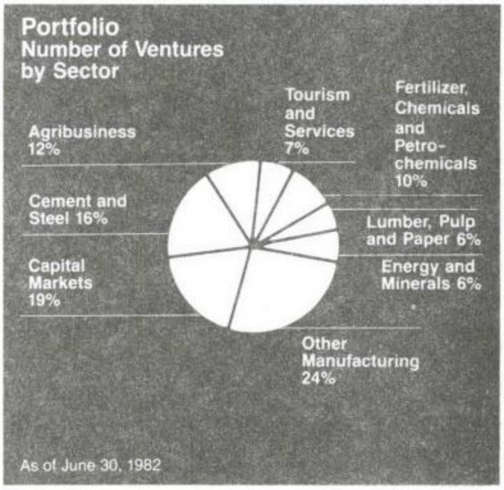
In this context it is the role of the International Finance Corporation, as a public international financial institution, to facilitate the continued flow of private capital to meet the needs of developing countries. IFC was established as a catalyst for private investment and in the present uncertain environment this role takes on perhaps even more significance than in the past. In fulfilling this function, IFC can have a beneficial impact in several ways. First, its traditional role as a mobilizer of private capital for sound projects can be expanded and can be focused on those countries that have not yet secured access to international sources of capital.

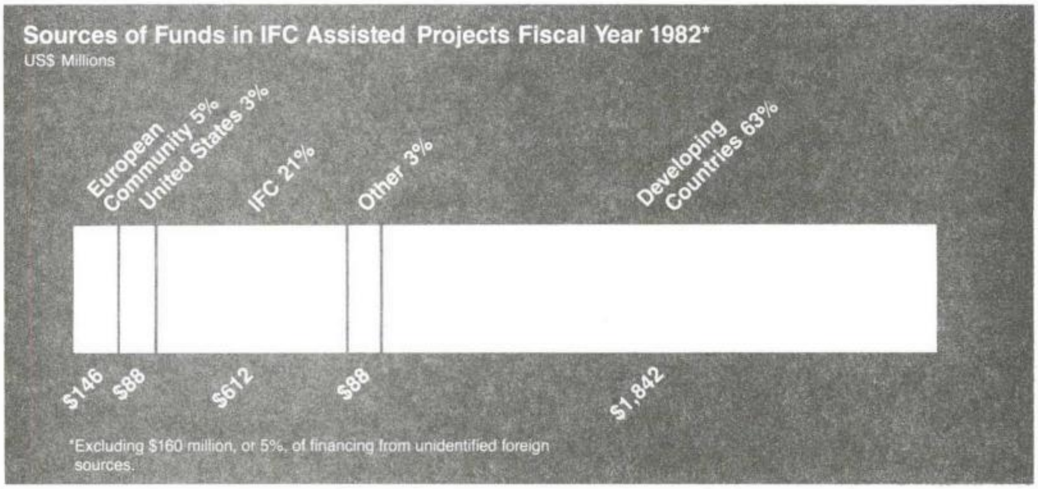
Moreover, IFC can give substantial new emphasis to its traditional role of mobilizing foreign risk capital flows for developing countries. This would include an expanded effort to attract foreign private direct investment, but could well extend to new efforts to mobilize portfolio risk capital. Risk capital is particularly important in the current environment because its servicing is linked to the productivity of the uses to which capital is put. Thus, it does not present new fixed servicing demands on already over-burdened foreign exchange earnings. Finally, new initiatives will be called for to facilitate increased flows of debt capital to developing countries. The imperatives of development in the 1980's will require new strategies in both official policy and in private markets.


Regional Distribution
of IFC Investments: Fiscal 1982
Number of Projects
Africa
28%
Latin America/
Caribbean
32%
Asia
25%
Europe/
Middle East
15%


Regional Distribution
of IFC Investments: Fiscal 1982
Amount of Investment
Latin America/
Caribbean
49%
Africa
18%
Asia
24%
Europe/
Middle East
9%


Ownership in IFC Investments Fiscal 1982
%
60
50
40
30
20
10
0
Minority shareholders only
Majority foreign owned
Majority locally owned (public)
Majority locally owned (private)


Portfolio
Number of Ventures
by Sector
Agribusiness
12%
Tourism and Services
7%
Fertilizer, Chemicals and Petrochemicals
10%
Cement and Steel 16%
Lumber, Pulp and Paper 6%
Capital Markets
19%
Energy and Minerals 6%
Other Manufacturing
24%
As of June 30, 1982


Sources of Funds in IFC Assisted Projects Fiscal Year 1982*
US$ Millions
European Community 5%
United States 3%
IFC 21%
Other 3%
Developing Countries 63%
$146
$88
$612
$88
$1,842
*Excluding $160 million, or 5%, of financing from unidentified foreign sources.

The Year in Review

Investment Operations

One of the important objectives of IFC's activities is to help private investors overcome economic structural problems which tend to distort and restrict the allocation of investment capital to and in developing countries. In addition to providing technical assistance and financing, the Corporation facilitates the process by which practical solutions to difficult investment problems can be resolved.

In determining which investment opportunities to pursue, the Corporation applies three basic criteria. It will invest only in those ventures which contribute to the development of the country involved, only those which can provide an adequate financial return, and only those which, without IFC's assistance, would not, as they are proposed, be able to attract adequate financing on reasonable terms and in a timely fashion.

Volume The Board of Directors approved 65 investments totalling $611.8 million. The timing of IFC's investments is very much dependent upon the decisions of private investors who, in turn, are influenced by their perceptions of the business climate. Thus, while the pace of business in terms of the number of ventures supported increased over last year, the Corporation financed fewer large ventures which were particularly sensitive to the adverse investment climate that prevailed throughout much of the year.

Of the total approvals, $579.5 million was for loans, which are made at prevailing commercial rates. Of these, one was a $12.5 million subordinated loan. The typical loan was for seven years with a grace period of three years. About $32.3 million was in the form of equity which was invested in 39 ventures.

The Corporation also undertakes to support its client companies with underwritings and stand-by loans. This year it approved four standbys and underwritings.

Regional Distribution Projects approved by the Board were located in 31 countries. In five of these (Cyprus, Mali, Nepal, Niger and Tunisia), the Corporation either had not undertaken investments during the prior three years or it did so for the first time.

The continued dispersion of IFC's investment activities is in part due to greater promotional efforts which in recent years have been increasingly concentrated in some of the small and poorer member countries. Roughly half of the year's investments were in countries with a per capita income of less than $760 per year.

Eighteen of the investments were in Africa, 16 in Asia, 21 in Latin America and the Caribbean and 10 in the Middle East and Europe.

Sector Distribution Reflecting the Corporation's efforts to diversify its activities, the number of investments approved by the Board in the manufacturing sector was below 50 percent.

Agribusiness continued to take up an increasing proportion of the number of investments. The 13 projects approved by the Board had an estimated total project cost of $391.8 million and accounted for about 14 percent of the total investments approved. Six of these were in low-income countries.

IFC also diversified its operations into new types of businesses—including $30.5 million in loan and equity to a specialized agricultural equipment leasing company in Brazil; $16 million for a rehabilitation hospital in Yugoslavia; $1.6 million for a cold storage plant in Colombia; a $300,000 equity investment to help finance a petroleum promotion company in the Sudan; and approximately $710,000 in equity for a Korean company to commercialize technical institutions' research and development.

Among the 65 businesses, seven were cement plants, five were leasing companies, five were pulp and paper mills, and five were mining operations.

Financing and Ownership Of the 65 projects approved by the Board of Directors, 37 were wholly privately-owned enterprises, 19 were mixed government/private, and nine were wholly publicly-owned financial institutions designed specifically to assist the private sector.

Fifty-one percent of the project financing was raised from domestic sources. Most of the foreign sourced funds were in the form of suppliers' credits or government funding. Of the $279.4 million provided by foreign commercial banks, over 67 percent was raised through the syndication of IFC loans.

Syndications IFC constantly seeks to interest commercial banks, as well as other financial institutions, to join in loan syndications and parallel financings— whether the financing is initiated by IFC or by others. It is expected that cooperation with internationally active insurance groups will be expanded.

This year the Corporation undertook, or has pending, 16 syndications for a total of $187.6 million. Even though the number of syndications is about the same as the previous year's, the total amount the Corporation raised is lower than last year's $374.4 million. This was principally due to the fact that there were fewer large projects suitable for raising substantial funds through syndications.

The Corporation signed participation agreements during the year with 30 commercial banks and other financial institutions.

Syndications of investments approved by the Board during the year include $20 million equivalent in Deutsche marks and Swiss francs being arranged on a fixed-interest rate basis for a tourism-related financial institution in Tunisia and $20 million for a new agricultural leasing firm in Brazil being arranged by two European banks which are also taking equity positions in the company. In addition, $9 million in support of a pulp, paper and converting company in

Financial institutions which participated in IFC loans during FY 1982

Abu Dhabi International Bank Inc.
Al Saudi Banque
American Express International Banking Corporation
Amsterdam-Rotterdam Bank N.V.
Arab Banking Corporation (ABC)
Arab Latin American Bank—ARLABANK
Banco Espirito Santo e Comercial de Lisboa
Banco Portugues do Atlantico
Banco Totta & Acores
Banque Nationale de Paris
Barclays Bank S.A. Paris
Caisse Nationale de Credit Agricole
Citibank, N.A.
Credit Suisse
Dresdner (South East Asia) Limited
Euro-Latinamerican Bank Limited—EULABANK
European Arab Bank Limited
Hongkong and Shanghai Banking Corporation
Lloyds Bank International Limited
Manufacturers Hanover Trust Company
Morgan & Cie S.A.
Morgan Guaranty Pacific Limited
The Riggs National Bank of Washington, D.C.
The Royal Bank of Canada
Saudi International Bank Al-Bank Al-Saudi Al-Alami Limited
Standard Chartered Bank PLC
State Bank of India
Swiss Bank Corporation
Swiss Bank Corporation (Overseas), S.A.
Union Bank of Switzerland

Pakistan is being loaned by a North American, a European and two Arab institutions; this represents the first long-term, corporate risk dollar financing for Pakistan in many years.

Other Operations

As an international financial institution, IFC has a broad mandate that extends beyond providing financial and technical assistance to develop individual investment opportunities. It also has the responsibility, when requested, to help member countries design policies and institutions that promote the development of the private sector, mobilize private capital, and improve the environment in which private industry operates.

The Corporation brings to this task its operational experience, its unique position as an international institution concerned with the developmental role of the private sector and, particularly, its close collaboration with The World Bank.

Technical Assistance (capital markets) In many countries the development process is constrained by a lack of financial resources adequate to meet growing investment needs. For this reason, the Corporation continues to concentrate its technical assistance efforts in developing capital markets.

The Capital Markets Department provided such assistance in 14 countries, including advice on stimulating securities markets in Bahrain, Chile, Ecuador, Jordan, Peru, Sri Lanka and the United Arab Emirates. In addition, leasing regulations were reviewed for Colombia, Indonesia, Portugal and Uruguay, and advice given on modifying existing or introducing new regulations.

The Corporation continued to provide Egyptian authorities with technical assistance in their on-going efforts to revise the financial system. The Department worked with a Kenyan bank to help strengthen its project appraisal/supervision and business advisory services. Advice was also provided to Korean authorities on issues concerning access to international securities markets. IFC assisted a Sri Lankan bank to improve its medium-scale enterprises credit facility and business advisory services.

The Department also participated in The World Bank financial sector reviews for Nigeria and Thailand, and prepared seven studies on key topics in developing capital markets for professional conferences in a number of developed and developing countries.

Technical Assistance (other) At the request of the governments, the Corporation undertook a number of policy related technical assistance efforts. These included a joint study with The World Bank on privatization of some public sector enterprises in Peru, assistance to the Government of Guyana on possible changes to its investment code, and an analysis of the impact of recent policy changes on private investment in Turkey. The Corporation is overseeing an international comparative study of direct foreign investment incentives and performance requirements under the sponsorship of the Development Committee.

Responding to the requests of governments, international and bilateral assistance agencies, other investors and on its own, the Corporation initiated a number of sector related studies. One was to help the Thai Government establish a national industrial plan for the petrochemical industry, and another was on the cement industry in Costa Rica. Assistance was also provided to agencies of the Zimbabwean Government regarding the establishment of a development finance company. In the Sudan, the Corporation—in collaboration with the Sudan Development Corporation, the German Development Company (DEG), and several investors—undertook a study on how to improve the performance of the textile industry. In Turkey, a study was completed on ways to promote private investment in the seed industry. IFC is also advising Malawi and Zambia concerning the possibility of establishing a pulp and paper industry in the two countries.

Interagency Cooperation and Financial Support IFC regularly consults and cooperates with a great number of international and bilateral agencies. The Corporation is grateful to the following agencies for their financial contributions to support IFC's technical assistance efforts: the United Nations Development Programme (UNDP), which provided funds for four technical assistance efforts; the British Executive Service Overseas, for providing consultants to two programs; U.S. AID, for providing funding for two studies; and the OPEC Fund, the Inter-American Capital Markets Institute, and the Canadian International

Development Agency (CIDA), for contributing to the funding for various capital markets technical assistance efforts in three countries.

In addition to its regular promotion efforts in its developing member countries, the Corporation extended the program this year in the industrial countries. Among these efforts was its participation in a program sponsored by the Danish authorities and the Danish Fund for Industrial Development (IFU) to promote joint ventures with the Danish dairy industry, one with the Swedish Fund for Industrial Cooperation (SWEDFUND), and the Stockholm School of Economics to consider techniques for investing in developing countries.

In addition to its cooperative efforts with other development agencies such as with the Pulp and Paper Advisory Committee of the FAO and the Caribbean Facility, the Corporation made its staff available to many seminars, conferences and meetings covering a wide range of issues related to private investment in developing countries.

Caribbean Facility The Caribbean Project Development Facility, a United Nations Development Programme project which IFC helped to finance along with the UNDP, the Caribbean Development Bank, the Inter-American Development Bank, U.S. AID, CIDA and the Netherlands Ministry of Development Cooperation, was established in November 1981 to encourage more effective private sector participation in the development of the region.

IFC, in cooperation with the International Bank for Reconstruction and Development, acts as executing agency for the Facility, which has examined well over 20 projects located in 12 of its 21 member states in the Caribbean. One of these projects has been successfully financed and several more are in process.

The Facility has also provided financial counsel to several governments in the region concerning their relationships with business sectors and individual firms as well as advised individual client companies on commercial banking relationships, marketing arrangements and obtaining technical, managerial and financial assistance through joint ventures.

Staff and Administration At the end of the fiscal year, the Corporation had a staff of 406. During the year, the number of higher level staff increased from 221 to 228 and the number of assistant level staff increased from 31 to 32. A total of 64 nationalities were represented of which 46 were developing countries. The number of higher level staff members from developing countries, 40 percent, has remained constant over the past several years. Twenty members of the higher level staff were women compared with 16 last year and 20 of the Corporation's assistant level staff were women compared with 22 last year.

Ten of The World Bank's Young Professionals took six-month rotational assignments with IFC and three Young Professionals joined the staff of the Corporation on a permanent basis.

During the year, Mr. Hans Pollan was appointed as the Corporation's Special Representative in Europe, with offices in London and Paris.

Financial Results

A fundamental IFC objective is to act as a catalyst in encouraging others, especially commercial financial institutions, to invest with, or alongside, the Corporation. An essential element in this effort is that the financial results of IFC's operations demonstrate the viability of investing in developing countries.

Despite an increasingly difficult world economic environment, rapid inflation and high borrowing costs, IFC, in Fiscal 1982, maintained its profitability and sound financial position.

Income and Expenses The Corporation's operating income was up $26.2 million over the previous year to $126.5 million. Reflecting the continued growth of the Corporation, interest earnings of $98.2 million from outstanding loans was $22.2 million higher than in Fiscal 1981.

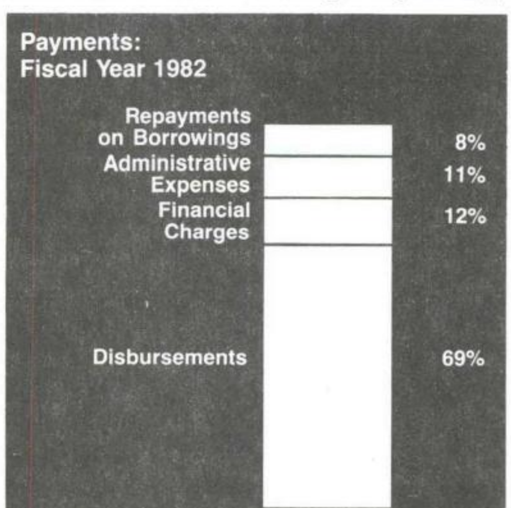
Dividend income was $12.1 million, marginally lower than last year's $12.3 million. With the turnover of a few investments, gains realized on equity sales of $10.7 million were $5.9 million as compared to $1.9 million the previous year.

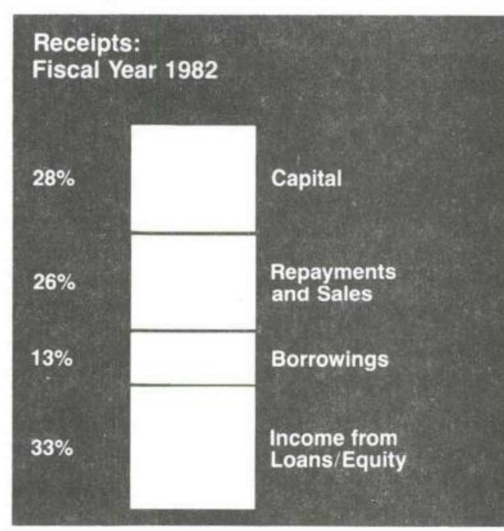
Operating expenses of $82.5 million were $14.7 million higher than last year. About $8.7 million of the increase was due to an increase in financial charges on IFC's borrowings. Charges on the $530.8 million debt owed by the Corporation amounted to $43.3 million.

While increasing to $39.2 million, only about 31 cents out of every dollar of operating income went for administrative expenses as against 34 cents the previous year. At the close of the fiscal year, a provision of $22.4 million was made from the operating income to the Reserve Against Losses. This compared to $19 million made the previous year.

Net income of $21.6 million was higher than last year's $19.5 million.

Disbursements During the year approximately $245.9 million was disbursed





against committed loans and equity investments. An additional $284.3 million was disbursed for participants in IFC financing managed by the Corporation.

The total, $530.2 million, was 10 percent below the $587.4 million disbursed during the previous year. Repayments and sales of $97 million were received during the year so that net disbursements were $433.2 million.

Borrowings The Corporation borrowed the equivalent of $390 million from The World Bank and drew down an equivalent of $48.2 million. The Corporation decided to expand the availability of non-U.S. dollar financing to project sponsors. As a result, $176 million equivalent of IFC loans was approved in non-dollar currencies, which was 29 percent of the total loans approved. To support these operations, borrowing from The World Bank by IFC of $230 million equivalent in currencies other than U.S. dollars was approved by the boards of both institutions.

Total borrowings, including undrawn balances, increased from $563.1 million at the end of the previous year to $916.8 million.

Capital and Accumulated Earnings The terminal payment date for subscriptions to IFC's capital increase, which was approved in November 1977, is August 1, 1982. Of the $468.8 million allocated to 106 member countries, $412.5 million (88 percent) has been subscribed by 80 countries. Payments of $105.3 million for subscribed shares were received during the year.

The net income of $21.6 million was allocated to accumulated earnings, bringing the total to $180.7 million. With a paid-in capital of $497.4 million, the total paid-in capital and accumulated earnings was $678.1 million, up from $551.3 million at the end of the last year.

Portfolio

IFC's portfolio of investments contains loans and equity investment in 333 companies located in 79 developing countries. Not only does it contain investments held for its own account, but IFC administers funds held for participants in IFC financing.

All companies are required to submit to the Corporation quarterly financial statements. Almost 23 percent of the Corporation's administrative expenses go to portfolio supervision, which includes providing assistance to companies facing unusual difficulties.

The Corporation has a policy of selling its investments where the companies have matured—on the average this is after about seven to eight years. Not only does this serve to broaden the ownership in the private sector, but it releases IFC funds that can be reinvested in its member countries.

Status At year's end, the investment portfolio (including undisbursed balances) held for its own account was $1,835 million. Of this, $1,550.9 million was in the form of loans and $284.1 million in equity. In addition, $1,066.8 million was held and managed for participants in IFC financing.

During the year, $380.1 million new investments were added, about $300 million for IFC's own account and $80 million for participants. Of the new investments, $18.7 million was in equity and $361.4 million in loans.

Repayments of loans amounted to $90.2 million and $6.8 million of investments were sold. Taking these and other adjustments into account, the net increase in IFC's portfolio was $188 million.

Reflecting difficult worldwide economic conditions, arrears on interest and principal payments, as a percent of the total disbursed loans for the Corporation's account, rose to 5.4 percent from last year's level of 4.3 percent.

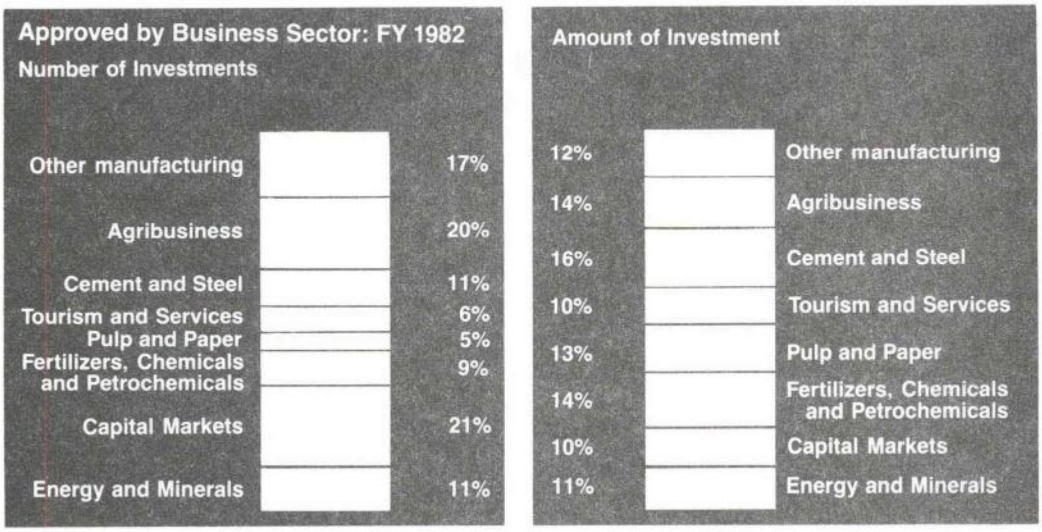
Portfolio Composition The Corporation has equity investments in 216 companies in 64 developing countries. About 19 percent of these (40 companies) have been added within the last three years and in many cases do not represent mature investments. During Fiscal 1982, 64 companies paid a total of $12.1 million in dividends to the Corporation.

The portfolio contains loans to 256 companies of which 21 percent have been made within the last three years.

While adding 32 new companies to its portfolio during the year, 13 investments were repaid, sold or cancelled.

Aggregate Reserves With the growth in its portfolio, the net increase in IFC's Reserve Against Losses was $22.5 million. Total Reserve at year-end was $84 million as compared to $61.5 million at the end of the previous year. This was brought about primarily by a Provision for Losses of $22.4 million charged to this year's income.

Reflecting the continued economic and business difficulties in many countries and the changed circumstances of a few investments, the Reserve stood at 8.3



percent of the total disbursed portfolio by the end of the year as against 6.9 percent the previous year.

Review of Capital Gains and Losses Losses written off by the Corporation since 1956 on investments held for its own account have amounted to $20.5 million against disbursements over the same period of $1,939.4 million. This was equal to 0.5 percent of its disbursed loans and 3.7 percent of its disbursed equity investments. Over the same period, the Corporation sold $93.5 million worth of investments from portfolio and realized gains of $44.7 million.

During this year, there was one write-off against the Reserve for $250,000. The Corporation's write-off experience reflects its policy of providing assistance to, and working with, firms facing unusual difficulties. Investments are written off only when financial recovery is not possible.

Consistent with IFC's policy to encourage and broaden local ownership in the private sector, eight of the 10 equity sales were undertaken in the countries where the companies are located.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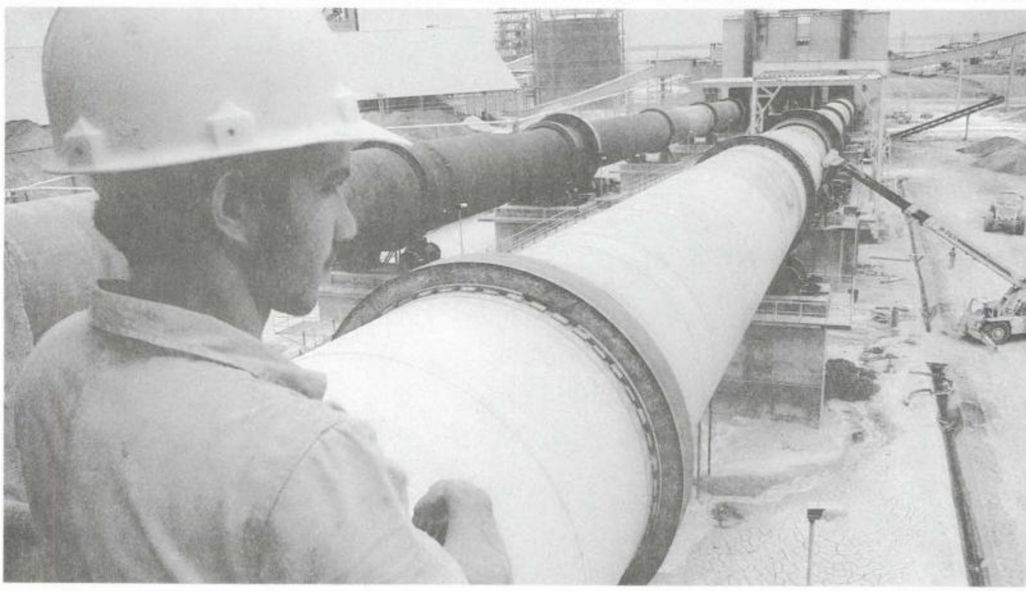


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Fiscal 1982 Investments

Agribusiness

Atlas Frigorifico S.A.—Brazil One of the largest agribusiness projects in northern Brazil will be the $97.5 million Atlas Frigorifico meat processing plant financed by Brazilian investors and institutions and IFC, which is selling $6 million of its $16 million loan to foreign banks. The project will be located at Campo Alegre in the heart of an extensive cattle ranch area in the State of Para, in northern Brazil. The Company will process, at capacity, 192,000 head of cattle a year to produce a variety of products including canned and frozen beef and hides. The venture will create some 800 direct jobs, provide a nearby market for local cattle ranchers, improve Brazil's domestic food supply and help develop the Amazon region.

Bursa Vitaminli Yem Sanayii, A.S.—Turkey IFC is providing a $2.5 million loan to Bursa Vitaminli Yem Sanayii to help establish Turkey's first integrated poultry complex using contract farming. Besides supplying to the local market 6,500 metric tons annually of processed chicken meat from 5.1 million broilers fattened by contract farmers, the $11.3 million complex will produce hatching eggs, day-old chicks and 70,000 tons of poultry and livestock feed. By introducing improved poultry production and marketing methods, the project is expected to have an important demonstration effect in modernizing the country's poultry industry. The venture's sponsor, the Koctug Group, and the Agricultural Bank of Turkey are providing the balance of the financing.

Companhia Dende do Amapa—CODEPA—Brazil A $24.5 million equivalent palm oil processing facility that will produce and export, at full capacity, 11,000 metric tons of palm oil and more than 2,000 tons of palm kernels a year is being established in one of the less developed regions in Brazil by Companhia Dende do Amapa-CODEPA. IFC is lending $6.1 million for the venture which is sponsored by the Antunes Group, a major Brazilian manufacturing and mining group, and by the Belgian agricultural services company, SOCFINCO. The project will result in estimated net foreign exchange earnings of $4 million annually and create some 500 jobs.

Frigorificos Colombianos S.A.—Colombia The first public cold storage facility in Bogota for rental of cooling/freezing space is being supported by a $1.6 million loan and equity investment by the Corporation. The remaining $5.9 million of project cost is being provided by Colombian financial institutions and investors. The enterprise will introduce techniques for handling perishable products new to Colombia and offer almost 10,000 cubic meters of cold storage. The project will benefit producers and consumers by reducing post-harvest losses, permitting more stable prices and increasing off-season availability of perishables. St. Onge Ruff and Associates, Inc., a leading U.S. firm in designing and engineering food freezing and cold storage, will provide technical assistance.

Ismailia Fish Farming Company S.A.E.—Egypt The $7.3 million expansion of a previously-assisted commercial fish and duck venture, Ismailia Fish Farming Company S.A.E., is being supported with a DM 4.7 million ($2 million) loan and $440,000 equity investment. The project will add a duck breeding operation to produce 1.5 million day-old ducklings annually, one million of which will be reared and processed in new fattening and processing facilities, and the remainder sold to small rural outgrowers. Cherry Valley Farms, U.K., is providing technical advice on the expansion which will complement the earlier integrated project for growing fish, in which duck and agricultural operations supply pond fertilizer and fish feed supplements. The expansion will further increase production of low-cost protein foods in Egypt and help reduce the need for imports.

Ismailia Misr Poultry Company, S.A.E.—Egypt A major poultry complex in Egypt, Ismailia Misr Poultry Company S.A.E., which IFC helped finance in 1979, is undertaking a substantial, $38.2 million expansion—again with IFC financial assistance. The IFC investment consists of a DM 15.5 million loan ($6.7 million) and an equity subscription of approximately $730,000. The new project will increase annual production by 11.7 million eggs, 3.1 million day-old chicks and 7.1 million broilers. It will also produce 74 million table eggs per annum. Like the earlier project, the expansion will help bring the country closer to food self-sufficiency by increasing the supply of a relatively cheap form of protein, reduce the need for imports and create new jobs.

Jamaica Flour Mills Limited—Jamaica Jamaica Flour Mills will be able to meet virtually all of Jamaica's wheat flour needs with a $20.6 million expansion program that will more than double its grinding capacity to 111,800 metric tons a year for a total output of 81,600 tons of flour and 30,200 tons of wheat middlings. IFC is lending up to $5 million for the project. The balance is coming from local and foreign institutions and from Pillsbury Company of the U.S., the technical partner, which is providing contingency financing. The expansion will provide consumers with a cheaper source of a basic food staple and save some $9 million in foreign exchange annually.

Les Moulins du Sahel, S.A.—Niger The Corporation is investing up to the equivalent of $2.6 million of loans and equity in a $9.5 million flour mill in Niger. Les Moulins du Sahel, which is intended to partly replace rapidly rising imports of flour, is being sponsored by private investors from Benin and Niger. Technical assistance is being provided by Societe d'Organisation de Management et de Developpement des Industries Alimentaires et Agricoles of France. Other financing has been secured from local institutions and the Islamic Development Bank and SIFIDA Investment Company, a regional development bank. The mill, which is designed to produce 30,000 tons of flour and 8,700 tons of bran per year, is one of Niger's major private ventures and is IFC's first investment in the country.

NDC-Guthrie Plantations, Inc.—Philippines The first major palm oil project in the Philippines, NDC-Guthrie Plantations, Inc., is being assisted by IFC which is lending $11 million for the $44.1 million project. The Commonwealth Development Corporation of the U.K. is lending $11.25 million. The technical sponsor, a subsidiary of Guthrie Corporation, Limited, is a leading company in the palm oil field based in Malaysia. Financing covers the cost of developing the first 4,000 hectares (9,900 acres) of oil palms, processing equipment to produce 20,000 metric tons a year of crude palm oil, and ancillary facilities. The enterprise will put into productive use logged-over forest land, introduce new technology into the Philippines, diversify the country's exports and yield annually an estimated $14 million in net foreign exchange earnings at full production.

Palmas del Espino S.A.—Peru Agricultural development in the Amazon rainforest of eastern Peru is being furthered with an $86.7 million, 15,000 acre (6,000 hectare) oil palm plantation sponsored by the Peruvian Romero group and assisted by a $15 million IFC loan. Palmas del Espino's planned output of more than 30,000 metric tons of palm oil and 6,500 tons of palm kernels will help improve nutrition and reduce the need for imports, thereby saving some $20 million a year in foreign exchange at full production. Substantial technical assistance will be provided by Institut de Reserches pour les Huiles et Oleagineaux of France.

Sociedad Agricola Golondrina S.A.—Paraguay IFC is supporting development of large-scale, commercial agriculture in Paraguay by helping to finance Sociedad Agricola Golondrina, a $29 million, agricultural venture using modern farming techniques, provided by the Espiritu Santo group, on 25,000 acres (10,000 hectares) of virgin forest and swamp in the eastern part of the country. IFC is lending $5 million and investing $2 million in equity in the project, which will produce a variety of crops both for local consumption and for export, and result in estimated net foreign exchange benefits of almost $3 million a year.

Societe Industrielle de Karite du Mali, S.A.—Mali Sheanut trees grow wild in Mali and yet they are a largely underdeveloped resource in the country. This $9.3 million private sector venture to establish a modern, 8,660 tons-per-year sheanut butter extraction plant will not only develop this resource in a systematic way and provide badly-needed foreign exchange but, through its collection system, will generate additional cash income to villagers throughout the country. IFC is investing approximately $2.6 million and, in addition to the Malian sponsor, the Vandemoortele Group of Belgium will take an equity position and provide technical assistance. Societe Belge d'Investissement International, the German Development Corporation and IFC will provide both equity and long-term loans. SIFIDA Investment Company also is offering loan funds and FOSIDEC, the financial arm of the West African Economic Community, is giving guarantees on part of the loans and the suppliers' credits.

Societe Sucriere du Cameroun (SOSUCAM)—Cameroon The Corporation is lending DM 3.5 million ($1.5 million) to assist the $6.3 million equivalent rehabilitation project of a 27,500 metric tons-per-annum sugar complex located in Mbandjock. The project will enable the Company to maintain sugar production by replanting 1,400 hectares of land, introducing new cane varieties with higher sucrose content and replacing old factory machinery with modern equipment. Societe d'Organisation de Management et de Developpement des Industries Alimentaires et Agricoles, a French company which specializes in agribusiness ventures in Africa and a major shareholder in SOSUCAM, is providing management services to the Company. The rehabilitation program is urgently needed to prevent a decline in sugar production and, because the basic infrastructure is in place, will have a high rate of return.

Capital Markets

Companhia Riograndense de Participacoes—Brazil Companhia Riograndense de Participacoes was recently established as a venture capital company with the primary objective of providing equity and equity-type finance and management assistance to selected Brazilian small and medium-sized enterprises with promising growth and profitability prospects. It is one of the few private sector institutional sources of risk capital in Brazil and the first such institution to be established in the State of Rio Grande do Sul. The Company is majority owned by a holding company comprised of some 150 different Brazilian enterprises in the state and by two Government development banks. IFC is subscribing to 15 percent of the Company's 1,000 million cruzeiros ($5.7 million) share capital.

Compania Chilena de Inversiones S.A.— Chile The Corporation will invest $200,000 in acquiring 20 percent of the equity of Compania Chilena de Inversiones S.A., the first institution in Chile to offer a broad range of investment banking services, including fund raising, corporate financial advice, brokerage, dealing in money market instruments, bonds and stocks. The company is sponsored by Chilean financial executives and a local holding company and aims at playing an innovative role in the domestic financial system by developing new specialized financial services and introducing emerging growth companies to financial markets.

Compania Ecuatoriana de Leasing, S.A.—Ecuador A new company, Compania Ecuatoriana de Leasing, is being established to lease agricultural machinery, transportation and commercial equipment and plant facilities to Ecuadorian companies, especially small and medium-size enterprises. The $13 million venture is being financed by Ecuadorian financial institutions; by the technical partner, Equilease Corporation, of the U.S.; and by IFC, which is providing $200,000 in equity and $9 million in loan. Of the loan, $6 million is to be syndicated to an international group of banks.

Diamond Trust of Kenya Limited—Kenya Diamond Trust of Kenya (DTK) is an existing finance house, accepting deposits from, and extending credit to, individuals and companies, principally to finance equipment. IFC will invest approximately $1.1 million in the institution's equity to support DTK's expansion into a merchant bank by adding new financial and advisory services. Samuel Montagu and Co., Limited, U.K., will be the technical partner in this venture. The United Nations Pension Fund is also investing in DTK's shares, representing the Fund's first investment in Africa.

Industrial Promotion Services (Kenya) Limited—Kenya Kenyan private enterprises, especially small and medium-size ventures, will be supported by Industrial Promotion Services (Kenya), an established investment holding company that is being restructured into a venture capital company with assistance from IFC, from the Kenya Commercial Bank Limited and from Finance for Industry Limited, a U.K. financial institution that specializes in financing the small and medium-scale business sector. IFC is subscribing up to $750,000 equivalent of the increased capital of the Company, which will encourage Kenyan entrepreneurs and support both new and expansion projects, particularly those which enhance the country's export potential and utilize local raw materials.

Iochpe Agro-Industrial S/A—Arrendamento Mercantil—Brazil In an enterprise that will provide broad support to Brazil's agricultural sector, IFC is investing $450,000 in the $3 million equity of Iochpe Agro-Industrial S/A—Arrendamento Mercantil, sponsored by the Iochpe Group of Brazil, and providing $30 million of initial loan funds of $60 million. The Company—the first agricultural and agribusiness leasing operation in Brazil—will provide, principally, medium-term financing through leasing a wide variety of agricultural-related machinery and equipment to farmers, cooperatives and private firms. IFC is placing $20 million of its loan with participants with the assistance of two other sponsors, Credit Agricole of France and Rabobank of the Netherlands.

Korea Technology Advancement Corporation—Korea IFC and Korean institutions and investors are joining to finance a major expansion of Korea Technology Advancement Corporation—a specialized company that commercializes the research and development efforts of Korean research institutions and initiates projects based on them. Of the approximately $2.9 million equivalent in financing, IFC is investing about $710,000 equivalent in equity.

Piso Leasing Corporation—Philippines On-going support for Piso Leasing Corporation, established in 1979 with IFC assistance, will be provided by a $10 million equivalent loan of which 460 million yen ($2 million) is for IFC's account and $8 million for syndication to international financial institutions. This project is aimed at expanding the operating and resource base of Piso Leasing by arranging its first long-term syndication from a broad group of international funding sources.

P.T. Saseka Gelora Leasing—Indonesia A new Indonesian leasing company is being established by local financial institutions, IFC and Lloyds Bank International, the technical partner. IFC is lending $4 million and investing approximately $300,000 in equity in P.T. Saseka Gelora Leasing, a $26.9 million project that will benefit small and medium-scale enterprises and the evolving domestic capital goods industry. Lloyds Bank International will take a $2 million participation in the IFC loan as well as make its own equity investment.

Sogewiese Leasing, S.A.—Peru The first specialized leasing company in Peru—Sogewiese Leasing—was established by several Peruvian institutions headed by Banco Wiese; by Societe Generale Group, of France, as technical partner; and by IFC, which is providing 15 percent of the Company's approximately $1 million in equity and $3 million of an initial $12 million loan funding package. Sogewiese's main activity will be financing machinery and equipment for Peru's industrial, construction, mining and service industries.

The Cyprus Investment and Securities Corporation Limited— Cyprus IFC is participating in the creation of the first investment banking institution in Cyprus. The new company is expected to contribute to developing and diversifying Cyprus' capital and money markets, especially the securities market. Its main activities will be underwriting, brokerage, portfolio management and investment advisory services. IFC's equity investment is $230,000. The two major shareholders are the Cyprus Development Bank and the Bank of Cyprus.

Cement and Steel

Asbestos Cement Industries Limited—Pakistan A 970 million yen ($3.95 million) loan to Asbestos Cement Industries will help finance a $15.8 million project to more than double its production of asbestos pressure pipe to 33,000 metric tons annually. The increased output will be used principally to extend Pakistan's water supply system and will result in net foreign exchange savings of $6 million a year. Technical sponsor for the project is Team S.A., Luxembourg, a subsidiary of the Eternit Group, a leader in the asbestos cement field.

Bamburi Portland Cement Company Limited—Kenya A Deutsche mark loan equivalent to $5 million is being made by IFC to Bamburi Portland Cement Company Limited to expand capacity and convert the Company's existing kilns from oil to coal burning at a cost of $24.7 million. The European Investment Bank and the Commonwealth Development Corporation of the U. K. are also making loans for the project. Technical assistance is being provided by Cementia Holding A.G. of Switzerland.

Bharat Forge Company Limited—India One of the largest commercial forges in Asia, Bharat Forge Company will modernize its present facilities and construct a new 20,000 metric tons-per-year forge in a $48 million project financed by local and foreign institutions. IFC is providing a DM 20 million ($8.9 million) loan for its own account and an $8 million loan will be for the account of participating financing institutions. Bharat Forge specializes in crankshafts and large, intricate forgings used in the automotive and machinery industries. The project is in line with Government efforts to improve road transport and reduce the shortage of commercial vehicles, and will generate estimated net foreign exchange savings of $202 million.

Cimenterie Nouvelle de Casablanca—Cinouca, S.A.—Morocco IFC is investing $2.25 million in equity in Cimenterie Nouvelle de Casablanca, in addition to its $15.8 million loan approved in Fiscal 1981, in order to help complete the financing for a $155 million, 1.2 million metric tons-per-year cement plant near Casablanca. The project will benefit from the latest technology and experienced management from Lafarge Maroc, the country's oldest cement company, which is making a major investment in the project. Other shareholders are the Islamic Development Bank, Moroccan banks and insurance companies, and French banks and Fives Caille Babcock, a leading French equipment manufacturer.

Cimento Caue, S.A.—Brazil An international group of banks is taking up half of IFC's loan of $40 million for the $146 million, 800,000 metric tons-a-year expansion of Cimento Caue's cement capacity and the conversion of existing facilities to coal firing. In addition, IFC subscribed to approximately $2 million in equity and made a $3 million standby commitment. The project will help alleviate a cement deficit in Brazil, reduce the need for imports and generate estimated net foreign exchange savings of $363 million.

Modi Cement Limited—India The Modi Group, which is a major, diversified Indian industrial group, and Blue Circle (Malaysia) Sdn. Bhd., a subsidiary of the U.K.'s largest cement producer, Blue Circle U.K., are jointly sponsoring a $108.7 million, 1 million metric tons-a-year cement plant at Baloda Bazar, Madhya Pradesh State. IFC is lending about $16.3 million equivalent for the project and Indian financial institutions are providing loan and standby financing. A share capital offering to the Indian public completes the financial plan. The low capital cost per ton of capacity results from Indian industry's ability to build a major part of the equipment and carry out design, engineering and erection of the plant relatively inexpensively.

The Indian Rayon Corporation Limited—India Indian Rayon, a diversified manufacturing company, is entering the cement field with a $45.5 million, 500,000 metric tons-a-year cement project financed by Indian financial institutions and investors and IFC, which is lending DM 20.5 million ($8.9 million) for the venture. KHD Humboldt Wedag A.G. of Germany is the principal supplier for the project and will provide technical assistance and inspect equipment fabricated in India. Like the Modi Cement venture, the Indian Rayon Project will be relatively inexpensive for its capacity because of the low cost of implementing such a project in India.

Energy and Minerals

Carbones del Caribe S.A.—Colombia A new company, Carbones del Caribe, has been established to develop high-quality coal deposits in northern Colombia for local and export sales. IFC is supporting the $51.6 million venture with an investment of approximately $12.5 million equivalent in U.S. dollar and Deutsche mark loans and an equity participation. Carbones del Caribe is sponsored by Cementos del Caribe S.A. and other Caribe/Argos group companies, by Colombian financial institutions and by The Mining Investment Corporation Limited, a well-known U.K. company experienced in coal. The project will reduce Colombia's reliance on other forms of energy, create more than 300 jobs, and generate estimated net foreign exchange earnings of over $9 million a year.

Ethanol Company Limited—Malawi A second investment, of DM 1,237,600 ($550,000), was made in Ethanol Company Limited to increase its capacity to convert low-value molasses into ethanol for mixing with gasoline. Increased availability of molasses will make it possible to produce 42,000 liters of ethanol a day instead of the 30,000 liters originally planned. The added production will increase the quantity available of domestically-produced motor fuel in Malawi and reduce the need for costly imports. Technical partner for the project is Jager and Associates of Zimbabwe and the U.K.

Ethanol Company of Zambia Limited—Zambia IFC is investing $4.35 million equivalent in loan and equity in its third venture for the commercial production of alternative fuels from biomass. Ethanol Company of Zambia will construct and operate a $19 million fermentation and distillation plant to produce ethanol from molasses. The annual output of 11.5 million liters is estimated to be about 8 percent of Zambia's current gasoline consumption. In addition to IFC, the major sponsors are: Indeco Limited and Zambia National Energy Limited (both subsidiaries of the Zambia Industrial and Mining Corporation Limited), and the Commonwealth Development Corporation of the U.K. In addition several private companies are considering investing in the project.

Nepal Orind Magnesite (Private) Limited—Nepal A major development of Nepal's mineral resources and its first industrial joint venture with a foreign private sector partner is being undertaken in a $24.9 million project to mine and process high-grade magnesite ore in cooperation with Orissa Industries of India. IFC is lending DM 14.5 million ($6.23 million) to Nepal Orind Magnesite (Private) Limited, which is to produce 50,000 metric tons of dead burnt magnesite annually for export, primarily to India, for use in manufacturing refractory products required in lining steel-making and other industrial furnaces. It is expected to earn some $16 million a year in foreign exchange and create about 700 new jobs. The project will also process 10,000 tons a year of talc associated with the magnesite ore.

Sociedad Chilena de Litio, Ltda.—Chile One of the world's largest lithium sources will be developed in a $61 million project sponsored jointly by

Corporacion de Fomento de la Produccion, which is the Chilean development corporation, and by Foote Mineral Company of the U.S. IFC is lending $10 million to Sociedad Chilena de Litio for the project and commercial banks will provide additional financing. A system of brine wells and precipitation/solar evaporation ponds will concentrate the brine which will then be processed into 14 million pounds of lithium carbonate a year for export. The project will help diversify Chile's mining sector and generate estimated net foreign exchange earnings of about $10 million annually.

White Nile Petroleum Company Limited—Sudan The Government of Sudan, the Chevron Oil Company, the Arab Petroleum Investment Corporation and IFC formed a company with a capital of $1.5 million to promote a petroleum project based on Chevron's recent discoveries in the Unity Field in the interior of the Sudan. The Company was formed to provide a vehicle for decision making during the critical phase of project preparation and resource mobilization.

Zambia Consolidated Copper Mines Limited—Zambia IFC is supporting a $250 million expansion project with a DM 70 million ($30 million) fixed-rate loan. The undertaking, which is expected to be completed by 1984, involves the construction of a cost-efficient hydrometallurgical complex designed to produce 40,000 metric tons annually of metal from existing copper tailings. The project will enable the company to maintain its copper production at 370,000 metric tons a year. Also providing financing is the Commonwealth Development Corporation of the U.K., the European Investment Bank, and the U.S. Overseas Private Investment Corporation. A Eurodollar loan is to be arranged by Standard Chartered Bank of the U.K. The Export Credit Guarantee Department of the U.K. is arranging $71 million of suppliers' credits for British machinery exports. Copper exports are vital to the Zambian economy as they provide about 90 percent of the country's foreign exchange earnings.

Fertilizer, Chemicals and Petrochemicals

Industria de Fosfatados Catarinense S.A.—Brazil A group of banks is to take $30 million of participations in the Corporation's $45 million loan for Industria de Fosfatados Catarinense to help finance a $190 million project in southern Brazil to produce 600,000 metric tons per year of phosphate rock concentrate for use in manufacturing phosphate fertilizers. The venture represents backward integration by three major Brazilian fertilizer companies—Industrias Luchsinger Madorin, Fertisul/Ipiranga and CRA—and will reduce the need for imports while indirectly supporting the country's efforts to increase agricultural output.

Ipako Industrias Petroquimicas Argentinas S.A.—Argentina IFC's financial assistance to Ipako is to help finance the Company's equity investment in Polisur S.M. The original concept of the Polisur project, in which IFC also participated through Ipako, was to produce 110,000 metric tons per year of low-density polyethylene in two parallel lines using the high-pressure technology from Arco Polymers. During the implementation of the project, the project concept was changed by increasing the design capacity of one line to 70,000 tons and deleting the second line, which was replaced by a barge-mounted plant of 120,000 tons capacity, using Union Carbide's new low-pressure technology. The floating plant was designed and built in Japan by Ishikawajima Harima Heavy Industries and then transported to Argentina. IFC is assisting Ipako by providing an additional $10 million in a stand-by loan and modifying the terms of the original investment.

Jordan Fertilizer Industry Company, Ltd.—Jordan Continuing its support of Jordan Fertilizer Industry Company, which it helped to promote in 1975 and to establish in 1978, IFC is lending SwF 20 million ($10.3 million) for a $39.4 million aluminum fluoride plant that will use toxic waste from the Company's fertilizer operation to produce 20,000 metric tons a year of aluminum fluoride. The project will use a relatively new technology provided by Swiss Aluminum Ltd., which will assist in implementing the project. Production will be exported with estimated foreign exchange earnings of $8 million a year.

The Bombay Dyeing and Manufacturing Company Limited—India India's capacity to produce fiber intermediate chemicals will be expanded with a $75.7 million project by The Bombay Dyeing and Manufacturing Company to produce 60,000 metric tons a year of dimethyl terephthalate, the principal raw material for polyester fiber and yarns. IFC is lending $18.8 million, part of which is being taken up by an international commercial bank. The venture will help the synthetic fiber industry meet growing domestic demand and result in estimated foreign exchange savings of $20 million a year.

Pulp and Paper

Packages Limited—Pakistan Packages Limited, Pakistan's leading paperboard producer and converter, which IFC helped to establish and later expand, is further increasing its capacity with a $32.5 million project to add approximately 10,500 metric tons to its present 30,000 tons a year as well as expanding its converting capacity. IFC is lending, for its own account, DM 14.92 million ($6.63 million) and an additional $9 million for the account of participating international banks.

Papel de Imprensa S.A.—Brazil Some 120,000 metric tons a year of newsprint will be produced by Papel de Imprensa in a $241 million project sponsored by Brazilian private sector companies—O Estado de Sao Paulo, Jornal do Brasil and PLANTAR. The project will utilize pine wood, a renewable natural resource, and save foreign exchange by substituting for imports and help meet growing domestic demand for mechanical pulp and newsprint. IFC is providing a $35 million senior loan—of which $20 million is being syndicated to an international group of banks—as well as a $12.5 million subordinated convertible loan, $2.5

million in equity, a $1 million underwriting commitment for a planned public offering and $10 million in subordinated convertible debentures, all of which is planned for syndication.

Societe d'Etude de la Cellulose du Congo—Congo A promotional company to test the feasibility of a major, export-oriented bleached pulp mill based on high-yield eucalyptus plantations has been established by the Congolese Government, European companies, the European Investment Bank, the Swedish Development Agency (Swedfund) and IFC, which will take 10 percent of the $2 million equity of Societe d'Etude de la Cellulose du Congo. A full-scale project could cost up to $700 million and, if implemented, would help develop the country's forestry sector, diversify and increase export earnings and create jobs both in forestry and processing. Billerud Uddeholm A.B., a major Swedish pulp producer, will be the technical sponsor of the project.

Tetra Pak Converters Limited—Kenya With the introduction of a free milk program for primary schools recently by the Kenyan government, the local supply of suitable packaging materials—especially those that can extend the milk's shelf life—has become critical. To meet this need, a new, $10.6 million equivalent venture—Tetra Pak Converters Limited (TPC)—is being sponsored by Tetra Pak International of Sweden and will produce specialized packaging materials. About 85 percent of the production will be for milk packaging made from locally sourced paper. In addition to its $470,000 equity investment, IFC is providing a $2.17 million loan.

Other Manufacturing

Arab Ceramic Company S.A.—Egypt A $2.3 million equivalent loan and equity investment will provide Arab Ceramic Company with part of the foreign exchange needed to diversify current operations and strengthen its working capital. Almost all glazed ceramic floor tile used in Egypt is currently imported and the lack of adequate supplies is impeding construction activity throughout the country. To meet domestic demand for high-quality ceramics at competitive prices, the Company is adding an 11,400 metric tons-per-year floor tile production line to complement its existing products. These are being manufactured in a newly-built, 12,000 tons-a-year wall tile and 5,000 metric tons-per-year sanitary ware plant located 20 miles from Cairo. The Company was established in 1975 with the assistance of an IFC $5 million loan and equity investment.

Ashok Leyland Limited—India Ashok Leyland, the second largest truck and bus chassis manufacturer in India, will almost triple its output to 40,000 vehicles a year and update its technology and products in a $434.5 million project financed by local sources and by the Corporation. IFC is lending $28 million and an international group of financial institutions is taking up $14 million of IFC's loan. British Leyland Limited of the U. K. is a major partner in the Company. The project will improve Ashok Leyland's products, help alleviate an acute domestic shortage of vehicles, generate foreign exchange savings estimated at $350 million annually and create some 11,000 direct jobs in industrially less-developed areas of India.

David Whitehead and Sons (Malawi) Ltd.—Malawi This $19.1 million equivalent expansion and modernization project will enable David Whitehead and Sons, the country's only integrated textile mill, to substitute for a major part of Malawi's imported blended fabrics and, with improved waste recovery, make more efficient use of the country's cotton resources. The project will also introduce modern weaving technology to the Company's production facilities. IFC is providing two loans, denominated in Deutsche marks and Japanese yen, totalling $4.97 million equivalent. Additional financing is being provided by the Commonwealth Development Corporation of the U.K. and the Investment and Development Bank of Malawi Limited.

Industrija Za Avtomobilski Delovi I Traktori—"Ruen" Kocani—Yugoslavia To meet expanding domestic demand and to increase exports of friction clutch sub-assemblies, the Company, located in the Republic of Macedonia, has embarked on a major expansion program to increase production capacity to 1.76 million units. IFC, the regional Yugoslav banks, the Company and its major customers are helping finance the $32.4 million venture; additional funds would be provided by Western European commercial banks and suppliers' credits associated with the machinery being purchased. IFC is lending DM 27.6 million ($12 million) for the project. It will earn substantial foreign exchange by exporting about one-third of its production and will generate employment for about 560 people.

M.A.N. Motor Sanayi ve Ticaret A.S.—Turkey Turkey's first heavy diesel engine (180-650 horsepower) production and assembly facility is being supported with an IFC DM 22 million ($9.8 million) loan. The plant, using know-how and technology from M.A.N. of West Germany, will produce 7,000 engines, mainly for domestic consumption. The project's output will replace engines currently imported for use in commercial vehicles and miscellaneous equipment produced locally. One of the few major private foreign joint ventures to be undertaken in recent years, M.A.N. Motor Sanayi ve Ticaret A.S., is being sponsored by M.A.N., Ercan Holding A.S. and the Dereli Group as well as Turkish private investors. The Turkish Industrial Development Bank (TSKB) and domestic banks are providing the balance of the loan financing required.

Valores Industriales, S.A. (VISA)—Mexico IFC's Board approved a participation in underwriting a Eurodollar bond issue for Valores Industriales, S.A. The commitment is for $10.5 million of an issue of up to $40 million and would represent the Corporation's first participation in the underwriting of a Eurodollar bond for a private sector industrial borrower. At the close of the fiscal year, the issue had not yet been marketed.

Tourism and Services

Compagnie Financiere Immobiliere et Touristique COFIT, S.A.— Tunisia The Corporation is providing loans equivalent to $40 million in Deutsche marks, Swiss francs and U.S. dollars to Compagnie Financiere Immobiliere et Touristique COFIT to help meet the Company's need for $110 million in long-term funds to finance hotel construction over the next two years. IFC is syndicating part of its loan to banks in Switzerland and West Germany. Financing also is expected to be provided by the African Development Bank. Other foreign loans, including bilateral credit lines from foreign governments to purchase equipment, and a local bond issue are being arranged by the Tunisian Government. Tourism has emerged as one of Tunisia's most dynamic sectors and COFIT has helped finance facilities with some 50,000 beds—close to 65 percent of the country's total hotel bed capacity.

Dome Investments Limited—Cyprus IFC is providing a SwF 2.6 million loan ($1.3 million), a $350,000 equity contribution and a SwF 1.27 million ($635,000) standby facility to help finance and mobilize financing for a first-class, 205-room beach hotel, to be located in Ayia Napa in Cyprus. Additional equity and debt financing for the $9.2 million project will be provided by local private interests and financial institutions. Dome Investments Limited, the company sponsoring the project, is offering a local bond issue, denominated in Cyprus Pounds, of approximately $1.8 million equivalent. IFC is also providing a guarantee for about 35 percent ($635,000) of that bond issue. IFC's participation is expected to help ensure the success of the proposed issue, which is the first publicly-offered corporate bond issue without Government guarantee to be made in Cyprus.

Empresa Hotelera de Encarnacion S.A.—Paraguay The second involvement of IFC in Paraguay's tourism sector is its support of Empresa Hotelera de Encarnacion's $14.2 million, 154-room, international-class hotel in Asuncion. IFC is investing $880,000 in equity and $2.5 million in loan, of which $1.25 million will be sold to participants. The hotel, like the earlier IFC-assisted hotel project at Encarnacion, will be built and managed by NOVOTEL-Brazil, a Brazilian affiliate of the NOVOTEL, France, international hotel chain. It will help alleviate the shortage of hotel rooms in Paraguay, support the country's growing tourism industry and generate direct foreign exchange earnings of more than $5 million a year.

Institut Za Fizikalnu Medicinu I Rehabilitaciju—Dr. Simo Milosevic—Igalo—Yugoslavia The first IFC investment in a health-related field is being made this year by helping to finance a $64.3 million project in Yugoslavia for a medical rehabilitation facility. IFC is lending DM 40 million ($16 million) for the expansion of the Dr. Simo Milosevic Institute for Physical Medicine and Rehabilitation at Igalo, near Dubrovnik, by constructing a new facility of more than 800 beds for patients primarily from European countries as well as the Middle East and Yugoslavia with arthritic, rheumatic, pulmonary and cardiac ailments.

The Year's Investments

Investments as approved by Board of Directors (US$ thousands equivalent at the date of Board approval)	IFC Loan	IFC Equity	Syndi-cations	Total	Project Cost
Argentina					
Ipako Industrias Petroquimicas Argentinas, S.A. (chemicals and petrochemicals)*	$ 10,000	$ —	$ —	$ 10,000	$ 131,100
Brazil					
Atlas Frigorifico S.A. (food and food processing)	10,000	—	6,000	16,000	97,500
Cimento Caue, S.A. (cement and construction materials)	20,000	5,000	20,000	45,000	146,000
Companhia Dende do Amapa—CODEPA (food and food processing)	6,100	—	—	6,100	24,500
Companhia Riograndense de Participaçoes (money and capital market)	—	1,000	—	1,000	5,680
Industria de Fosfatados Catarinense S.A. (fertilizers)	15,000	—	30,000	45,000	190,000
Iochpe Agro-Industrial—S/A Arrendamento Mercantil (money and capital market)	10,000	450	20,000	30,450	65,300
Papel de Imprensa S.A. (pulp and paper products)	27,500	3,500	30,000	61,000	241,000
Volvo do Brasil Motores e Veiculos S.A. (motor vehicles and accessories)*	—	2,000	—	2,000	18,020
Cameroon					
Societe Sucriere du Cameroun (SOSUCAM) (food and food processing)	1,500	—	—	1,500	6,300
Chile					
Compania Chilena de Inversiones S.A. Agente de Valores (money and capital market)	—	200	—	200	1,000
Sociedad Chilena de Litio, Ltda. (mining)	10,000	—	—	10,000	61,000
Colombia					
Carbones del Caribe, S.A. (mining)	10,560	1,980	—	12,540	51,600
Frigorificos Colombianos S.A. (food and food processing)	1,000	600	—	1,600	7,460
Petroleos Colombianos Limited (chemicals and petrochemicals)	—	440	—	440	4,000
Congo, People's Republic of					
Societe d'Etude de la Cellulose du Congo (pulp and paper products)	—	200	—	200	2,000
Cyprus					
Dome Investments Limited (tourism)	1,940	350	—	2,290	9,170
The Cyprus Investment and Securities Corporation Limited (money and capital market)	—	230	—	230	1,160
Ecuador					
Compania Ecuatoriana de Leasing, S.A. (money and capital market)	3,000	200	6,000	9,200	13,000
Ecuatoriana de Desarrollo, S.A. (Compania Financiera) (development finance)*	—	80	—	80	2,850
La Cemento Nacional, C.E.M. (cement and construction material)*	—	60	—	60	2,070
Egypt, Arab Republic of					
Arab Ceramic Company S.A. (ceramics)*	2,000	300	—	2,300	10,240
Ismailia Fish Farming Company S.A.E. (food and food processing)*	2,000	440	—	2,440	7,300
Ismailia Misr Poultry Company, S.A.E. (food and food processing)*	6,740	730	—	7,470	38,200
India					
Ashok Leyland Limited (motor vehicles and accessories)	14,000	—	14,000	28,000	434,500
Bharat Forge Company Limited (iron and steel)	8,900	—	8,000	16,900	48,000
Deepak Fertilizers and Petrochemicals Corporation Limited (chemicals and petrochemicals)*	—	300	—	300	3,000
Modi Cement Limited (cement and construction material)	16,290	—	—	16,290	108,700
The Bombay Dyeing and Manufacturing Company Limited (chemicals and petrochemicals)	13,800	—	5,000	18,800	75,700
The Indian Rayon Corporation Limited (cement and construction material)	8,900	—	—	8,900	45,500
Indonesia					
P.T. Saseka Gelora Leasing (money and capital market)	2,000	300	2,000	4,300	26,900
Jamaica					
Jamaica Flour Mills Limited (food and food processing)	5,000	—	6,400	11,400	20,600

The Year's Investments *(continued)*

Investments as approved by Board of Directors (US$ thousands equivalent at the date of Board approval)	IFC		Syndi-cations	Total	Project Cost
	Loan	Equity			
Jordan					
Jordan Fertilizer Industry Company, Ltd. (fertilizers)*	10,250	—	—	10,250	39,400
Kenya					
Bamburi Portland Cement Company Limited (cement and construction material)	5,000	—	—	5,000	24,700
Diamond Trust of Kenya Limited (money and capital market)	—	1,090	—	1,090	3,400
Industrial Promotion Services (Kenya) Limited (money and capital market)	—	750	—	750	5,000
Tetra Pak Converters Limited (pulp and paper products)	2,170	470	—	2,640	10,630
Korea, Republic of					
Korea Investment and Finance Corporation (money and capital market)*	—	660	—	660	14,640
Korea Securities Finance Corporation (money and capital market)*	—	350	—	350	4,400
Korea Technology Advancement Corporation (money and capital market)	—	710	—	710	2,920
Malawi					
David Whitehead and Sons (Malawi) Ltd. (textiles and fibers)*	4,970	—	—	4,970	19,100
Ethanol Company Limited (chemicals and petrochemicals)*	550	—	—	550	2,210
Mali					
Societe Industrielle de Karite du Mali, S.A. (food and food processing)	2,020	590	—	2,610	9,300
Mexico					
Valores Industriales, S.A. (VISA) (diversified food products and financing)	10,500	—	—	10,500	40,000
Morocco					
Cimenterie Nouvelle de Casablanca—Cinouca, S.A. (cement and construction material)*	—	2,250	—	2,250	[1]
Nepal					
Nepal Orind Magnesite (Private) Limited (mining)	6,230	—	—	6,230	24,900
Niger					
Les Moulins du Sahel, S.A. (food and food processing)	2,220	330	—	2,550	9,520
Pakistan					
Asbestos Cement Industries Limited (cement and construction material)	3,950	—	—	3,950	15,800
Packages Limited (pulp and paper products)*	6,630	—	9,000	15,630	32,500
Pakistan Oilfields Limited and Attock Refinery Limited (chemicals and petrochemicals)*	—	230	—	230	3,600
Paraguay					
Empresa Hotelera de Encarnacion, S.A. (tourism)*	1,250	880	1,250	3,380	14,220
Sociedad Agricola Golondrina S.A. (food and food processing)	5,000	2,000	—	7,000	29,000
Peru					
Palmas del Espino S.A. (food and food processing)	15,000	—	—	15,000	86,700
Sogewiese Leasing, S.A. (money and capital market)	3,000	150	—	3,150	13,200
Philippines					
NDC—Guthrie Plantations, Inc. (food and food processing)	11,000	—	—	11,000	44,100
Piso Leasing Corporation (money and capital market)*	2,000	—	8,000	10,000	17,600
Sri Lanka					
Taj Lanka Hotels Limited (tourism)*	—	—	2,000	2,000	[2]
Sudan					
White Nile Petroleum Company Limited (chemicals and petrochemicals)	—	300	—	300	1,500
Tunisia					
Compagnie Financiere Immobiliere et Touristique COFIT, S.A. (tourism)*	20,000	—	20,000	40,000	110,000

The Year's Investments *(continued)*

Investments as approved by Board of Directors (US$ thousands equivalent at the date of Board approval)	IFC Loan	IFC Equity	Syndi-cations	Total	Project Cost
Turkey					
Bursa Vitaminli Yem Sanayii, A.S. (food and food processing)	2,500	—	—	2,500	11,300
Istanbul Segman Sanayi ve Ticaret A.S. (motor vehicles and accessories)*	—	540	—	540	5,280
M.A.N. Motor Sanayi ve Ticaret A.S. (motor vehicles and accessories)	9,800	—	—	9,800	39,200
Trakya Cam Sanayii A.S. (glass)*	—	1,130	—	1,130	11,300
Turkiye Sinai Kalkinma Bankasi, A.S. (development finance)*	—	610	—	610	20,470
Viking Kagit ve Seluloz, A.S. (pulp and paper products)*	—	170	—	170	5,000
Yugoslavia					
Institut Za Fizikalnu Medicinu I Rehabilitaciju—Dr. Simo Milosevic—Igalo (health services)	16,000	—	—	16,000	64,310
Industrija Za Avtomobilski Delovi I Traktori—"Ruen" Kocani (motor vehicles and accessories)	12,000	—	—	12,000	32,400
Zambia					
Ethanol Company of Zambia Limited (chemicals and petrochemicals)	3,620	730	—	4,350	19,000
Zambia Consolidated Copper Mines Limited (mining)*	30,000	—	—	30,000	250,000
TOTAL	$391,890	$32,300	$187,650	$611,840	$2,935,950

[1] $155.5 million was included with original investment in FY81.
[2] $135.5 million was included with original investment in FY81.
* IFC has made one or more previous investments in this company.

Governors and Alternates/ Appendix A

As of June 30, 1982

Member	Governor	Alternate
Afghanistan	Mehrabuddin Paktiawal	Khalilullah Sediq
Argentina	Roberto T. Alemann	Egidio Iannella
Australia	J. W. Howard	J. C. Ingram
Austria	Herbert Salcher	Hans Seidel
Bangladesh	A. M. A. Muhith	Kazi Fazlur Rahman
Barbados	J. M. G. M. Adams	Stephen E. Emtage
Belgium	Willy De Clercq	Jean Godeaux
Belize	(vacant)	(vacant)
Bolivia	Lucio Paz Rivero	Gonzalo Ruiz Ballivian
Botswana	P. S. Mmusi	Baledzi Gaolathe
Brazil	Antonio Delfim Netto	Carlos Geraldo Langoni
Burma	Tun Tin	Aye Ko
Burundi	André Bibwa	Anselme Habonimana
Cameroon	Bello Bouba Maigari	Louis-Claude Nyassa
Canada	Allan J. MacEachen	Marcel Masse
Chile	Sergio de la Cuadra	Martín Costabal Llona
China	Wang Bingqian	Li Peng
Colombia	Eduardo Wiesner Duran	Rafael Gama Quijano
Congo, People's Republic of the	Pierre Moussa	André Batanga
Costa Rica	Federico Vargas Peralta	Carlos Manuel Castillo Morales
Cyprus	Simos Vassiliou	H. Hadjipanayiotou
Denmark	Kjeld Olesen	Mogens Isaksen
Djibouti	Ibrahim Mohamed Sultan	Mohamed Moussa Ali
Dominica	Mary Eugenia Charles	Alick B. Lazare
Dominican Republic	Carlos Despradel	Rafael Hernández Machado
Ecuador	Jaime Morillo Batlle	Jaime Acosta Velasco
Egypt, Arab Republic of	Fouad Hashem	M. Samir Koraiem
El Salvador	José Manuel Pacas Castro	Manuel Antonio Robles
Ethiopia	Teferra Wolde-Semait	Desta Beshaw
Fiji	Charles Walker	Winston Thompson
Finland	Mauno Forsman	Annikki Saarela
France	Jacques Delors	Jean-Pierre Cot
Gabon	Pascal Nze	J. Félix Mamalepot
Germany, Federal Republic of	Hans Matthoefer	Rainer Offergeld
Ghana	George Benneh	Ebenezer Lartey Nyakotey
Greece	Apostolos Lazaris	Panayotis Roumeliotis
Grenada	Bernard Coard	Dessima Williams
Guatemala	Leonardo Figueroa Villate	Julio Pablo Matheu Duchez
Guinea-Bissau	Victor Freire Monteiro	José Lima Barber
Guyana	Hugh D. Hoyte	Clarence F. Ellis
Haiti	Marc L. Bazin	Marcel Léger
Honduras	Arturo Corleto Moreira	Gonzalo Carias Pineda
Iceland	Tomas Arnason	Ragnar Arnalds
India	Pranab Kumar Mukherjee	R. N. Malhotra
Indonesia	Rachmat Saleh	Soegito Sastromidjojo
Iran	Hossein Namazi	Ebrahim Arabzadeh
Iraq	Thamer Rezooki	Subhi Frankool
Ireland	Ray MacSharry	Maurice F. Doyle
Israel	Moshe Y. Mandelbaum	Ezra Sadan
Italy	Carlo Ciampi	Mario Sarcinelli
Ivory Coast	Abdoulaye Koné	Léon Naka
Jamaica	E. P. G. Seaga	Horace Barber
Japan	Michio Watanabe	Haruo Mayekawa
Jordan	Hanna Salim Odeh	Mohammad Saleh Horani
Kenya	Arthur Kinyanjui Magugu	H. M. Mule
Korea, Republic of	Kyong-Shik Kang	Yeung Ki Hah
Kuwait	Abdlatif Y. Al-Hamad	Faisal Al-Khaled
Lebanon	Khattar Chebli	Sabbah Al-Haj
Lesotho	E. R. Sekhonyana	M. Sixishe
Liberia	Emmanuel O. Gardner	John G. Bestman

Governors and Alternates/ Appendix A (continued)

As of June 30, 1982

Member	Governor	Alternate
Libya	Kasem M. Sherlala	Abdul Alrahman R. Shalgum
Luxembourg	Ernest Muehlen	Raymond Kirsch
Madagascar	Pascal Rakotomavo	Jean Robiarivony
Malawi	L. Chakakala Chaziya	C. L. Mphande
Malaysia	Tengku Razaleigh Hamzah	Thong Yaw Hong
Mali	Ahmed Mohamed Ag Hamani	Ibrahima Bocar Ba
Mauritania	Dieng Boubou Farba	M'Rabila Rabou Ould Cheikh Bounena
Mauritius	Keerteecoomar Ruhee	Madhukarlall Baguant
Mexico	Jesús Silva Herzog	Jorge Espinosa de los Reyes
Morocco	Abdellatif Jouahri	Abdelkader Benslimane
Nepal	Yadav Prasad Pant	Karna Dhoj Adhikary
Netherlands	A. P. J. M. M. van der Stee	C. P. van Dijk
New Zealand	B. V. Galvin	C. H. Terry
Nicaragua	Joaquín Cuadra Chamorro	Edmundo Jarquín
Niger	Hamid Algabid	Brah Mahamane
Nigeria	V. I. Masi	Alhaji Abubakar Alhaji
Norway	Rolf Presthus	Eivinn Berg
Oman	Qais Abdul Munim Zawawi	Sherif Lotfy
Pakistan	Ghulam Ishaq Kham	Ejaz Ahmad Naik
Panama	Luis Alberto Arias	Rogelio Fábrega Zarak
Papua New Guinea	John Rumet Kaputin	Mekere Morauta
Paraguay	César Romeo Acosta	Augusto Colmán V.
Peru	Manuel Ulloa Elias	Pedro-Pablo Kuczynski
Philippines	Cesar E. A. Virata	Manuel S. Alba
Portugal	João M. F. Salgueiro	Alberto Regueira
Rwanda	J. Damascène Hategekimana	Jean-Damascène Munyarukiko
St. Lucia	John G. M. Compton	Dwight Venner
Saudi Arabia	Mohammed Abal-Khail	Hamad Saud Al-Sayari
Senegal	Mamoudou Touré	Matar Seye
Seychelles	Maxime Ferrari	Robert W. J. Grandcourt
Sierra Leone	Salia Jusu-Sherriff	V. A. W. Nylander
Singapore	Hon Sui Sen	J. Y. M. Pillay
Solomon Islands	Bartholomew Ulufa'Alu	Felix P. Panjuboe
Somalia	Abdullahi Ahmed Addou	Mohamud Mohamed Nur
South Africa	G. P. C. de Kock	C. L. Stals
Spain	Jaime García Añoveros	José Ramón Alvarez Rendueles
Sri Lanka	Ronnie de Mel	W. M. Tilakaratna
Sudan	Ibrahim Moneim Mansour	Abd El Rahman Abd El Wahab
Swaziland	R. J. Strydom	V. E. Sikhondze
Sweden	Rolf Wirtén	Carl Tham
Syrian Arab Republic	Hamdi Al-Sakka	Mohammad Mouaffac Tarabichi
Tanzania	K. A. Malima	Fulgence Michael Kazaura
Thailand	Sommai Hoontrakool	Chanchai Leetavorn
Togo	Koudjolou Dogo	Edo Kodjo Agbobli
Trinidad and Tobago	G. M. Chambers	Frank Barsotti
Tunisia	Mansour Moalla	Mohamed Ali Souissi
Turkey	Kaya Erdem	Osman Siklar
Uganda	Apollo Milton Obote	Robert E. Ekinu
United Arab Emirates	Hamdan Bin Rashid Al Maktoum	Ahmed Humaid Al-Tayer
United Kingdom	Gordon Richardson	Sir Douglas Wass
United States	Donald T. Regan	(vacant)
Upper Volta	Sanfo Mamadou	François Zoungrana
Uruguay	Valentín Arismendi Elgue	Juan José Anichini
Vanuatu	Kalpokor Kalsakau	John A. Howard
Venezuela	Maritza Izaguirre Porras	Hermann Luis Soriano
Viet Nam	Nguyen Duy Gia	Le Hoang
Western Samoa	Tofilau Luamanuvae Eti	Kolone Va'ai
Yemen Arab Republic	Fuad Kaid Mohammed	Ali A. Khoder
Yugoslavia	Petar Kostić	Gavra Popović
Zaire	Namwisi Ma Koyi	Bazundama Mbandanu Luzumbulu
Zambia	Kebby K. S. Musokotwane	Fred Kazunga
Zimbabwe	Bernard Thomas Chidzero	Desmond C. Krogh

Directors and Alternates and Their Voting Power/Appendix B

June 30, 1982

Director	Alternate	Casting Votes of	Total Votes
Appointed			
James E. Burnham [1]		United States	146,911
John Anson	Derek F. Smith	United Kingdom	38,150
Reinhard Münzberg	Norbert Schmidt-Gerritzen	Federal Republic of Germany	33,454
Kenji Yamaguchi	Kimiaki Nakajima [2]	Japan	25,796
Bruno de Maulde	Robert Hudry	France	20,829
Elected			
Said E. El-Naggar (Arab Republic of Egypt)	Abdulrahman A. Sehaibani (Saudi Arabia)	Egypt (Arab Republic of), Iraq, Jordan, Kuwait, Lebanon, Pakistan, Saudi Arabia, Syrian Arab Republic, United Arab Emirates, Yemen Arab Republic	25,547
Earl G. Drake (Canada)	Reno J. Brown (Bahamas)	Barbados, Canada, Dominica, Grenada, Guyana, Ireland, Jamaica, St. Lucia	24,899
Jacques de Groote (Belgium)	Turan S. Kivanç (Turkey)	Austria, Belgium, Luxembourg, Turkey	22,516
H. N. Ray (India)	M. Syeduz-Zaman (Bangladesh)	Bangladesh, India, Sri Lanka	21,310
Giorgio Ragazzi (Italy)	Rodrigo M. Guimarães (Portugal)	Greece, Italy, Portugal	20,060
Zain Azraai (Malaysia)	Aung Pe (Burma)	Burma, Fiji, Indonesia, Malaysia, Nepal, Singapore, Thailand, Viet Nam	17,429
Anthony IJ. A. Looijen (Netherlands)	Miodrag M. Stojiljković (Yugoslavia)	Cyprus, Israel, Netherlands, Yugoslavia	16,505
Jaime García-Parra [3] (Colombia)	José-Germán Cárdenas (Ecuador)	Brazil, Colombia, Dominican Republic, Ecuador, Haiti, Philippines	16,144
Y. S. M. Abdulai (Nigeria)	William Smith (Liberia)	Botswana, Burundi, Ethiopia, Kenya, Lesotho, Liberia, Malawi, Nigeria, Seychelles, Sierra Leone, Sudan, Swaziland, Tanzania, Trinidad and Tobago, Uganda, Zambia, Zimbabwe	15,681
S. A. McLeod (New Zealand)	Anthony S. Cole (Australia)	Australia, Korea (Republic of), New Zealand, Papua New Guinea, Solomon Islands, Western Samoa	15,578
Hans Lundström [4] (Sweden)	Ole L. Poulsen (Denmark)	Denmark, Finland, Iceland, Norway, Sweden	15,000
Joaquín Muns (Spain)	Roberto Mayorga-Cortes (Nicaragua)	Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Spain, Venezuela	14,599
David Blanco (Bolivia)	Alberto Sola (Argentina)	Argentina, Bolivia, Chile, Paraguay, Peru, Uruguay	14,540
Armand Razafindrabe (Madagascar)	Nicéphore Soglo (Benin)	Cameroon, Congo (People's Republic of the), Djibouti, Gabon, Guinea-Bissau, Ivory Coast, Madagascar, Mali, Mauritania, Mauritius, Niger, Rwanda, Senegal, Somalia, Togo, Upper Volta, Zaire	8,593
Ismail Khelil (Tunisia)	Saad M. Zerhouni (Algeria)	Afghanistan, Ghana, Iran, Libya, Morocco, Oman, Tunisia	5,919
Wang Liansheng (China)	Chen Hui (China)	China	4,404

In addition to the Directors and Alternates shown in the foregoing list, the following also served after June 30, 1981:

Executive Director	End of period of service:
Eberhard Kurth (Federal Republic of Germany)	August 31, 1981
Paul Mentré de Loye (France)	December 15, 1981
Seiji Morioka (Japan)	June 18, 1982

Alternate Director	End of period of service:
Marthe Parent (France)	July 31, 1981
Saleh A. Al-Hegelan (Saudi Arabia)	October 31, 1981

Note: South Africa (3,358 votes) did not participate in the 1980 Regular Election of Executive Directors. Belize (276 votes) and Vanuatu (275 votes) became members after that Election.

[1] Has been appointed by the United States as its Director effective July 2, 1982.
[2] Has resigned effective July 13, 1982; to be succeeded by Toshihiro Yamakawa (Japan).
[3] Has resigned effective July 31, 1982; to be succeeded by Antonio V. Romualdez (Philippines).
[4] Has resigned effective July 31, 1982; to be succeeded by Pekka Korpinen (Finland).

Officers and Department Heads/ Appendix C

As of July 1, 1982

*President	A. W. Clausen
Executive Vice President	Hans A. Wuttke
Vice President, Asia, Europe and Middle East	Judhvir Parmar
Director, Department of Investments, Asia	Torstein Stephansen
Director, Department of Investments, Europe and Middle East	Douglas Gustafson
Vice President, Latin America and the Caribbean	Jose M. Ruisanchez
Director, Department of Investments, Latin America and Caribbean I	Giovanni Vacchelli
Director, Department of Investments, Latin America and Caribbean II	Daniel F. Adams
Vice President, Africa (acting)	Judhvir Parmar
Director, Department of Investments, Africa I	Gunter H. Kreuter
Director, Department of Investments, Africa II	M. Azam K. Alizai
Vice President and General Counsel	Jose E. Camacho
Deputy General Counsel	Walter F. Norris
Director, Capital Markets Department	David Gill
Deputy Director, Capital Markets Department	Richard H. Frank
Director of Syndications	Rolf Th. Lundberg
Vice President, Engineering and Technical Assistance	Makarand V. Dehejia
Deputy Director	Robert D. King
*Secretary	Timothy T. Thahane
*Director-General, Operations Evaluation	Mervyn L. Weiner
Director, Corporate Planning Department	Richard W. Richardson
Director, Finance and Management Department	Marshall Burkes
Chief, Information Office	Carl T. Bell
*Director, Compensation Department	R. A. Clarke
*Director, Personnel Management Department	Gautam S. Kaji
*Director, Internal Auditing Department	Lawrence N. Rapley
*Director, Administrative Services Department	James E. Twining, Jr.
*Director, Programming and Budgeting Department	Heinz Vergin
Special Representative, Middle East	Cherif Hassan
Special Representative, Far East	Naokado Nishihara
Special Representative, Europe	Hans Pollan
Regional Mission in East Asia	Sakdiyiam Kupasrimonkol
Regional Mission in Eastern Africa	V. S. Raghavan
Regional Mission in Western Africa	Guy C. Antoine
Special Advisor for African Affairs	Pierre C. Damiba
Special Advisor	James M. Kearns
Senior Advisor, Portfolio	Fawzi Habib

Mr. H. Geoffrey Hilton, Senior Advisor, Technical, retired from the Corporation as of May 31, 1982.

*These officers and department heads hold the same positions in the IBRD.

Financial Statements

International Finance Corporation Annual Report 1982

International Finance Corporation

Balance Sheet

Exhibit A

June 30, 1982 and June 30, 1981

Expressed in United States Dollars—See Notes to Financial Statements, Exhibit G

		1982		1981
ASSETS				
Cash		$ 9,919,329	$	2,598,917
Investments				
Short-term obligations of governments (At cost or amortized cost, which approximates market)		19,345,610		5,497,990
Loan and Equity Investments—(See Exhibit D)				
Investments held for the Corporation	$1,834,962,025			1,647,023,608
Less—Undisbursed	574,806,944			535,440,231
Disbursed and outstanding	1,260,155,081			1,111,583,377
Less—Reserve against losses—Note A	84,000,000			61,540,000
		1,176,155,081		1,050,043,377
Assets Acquired Through Foreclosure		4,400,000		4,400,000
Accrued Income on Loans		19,933,932		17,927,557
Receivable from Purchasers of Loan and Equity Investments				
(sold or agreed to be sold)	$ 288,349,141			370,578,476
Less—Undisbursed investments (agreed to be sold)	288,102,200			369,249,215
		246,941		1,329,261
Other Assets		3,426,465		3,011,069
TOTAL		$1,233,427,358		$1,084,808,171
LIABILITIES AND CAPITAL				
Liabilities and Deferred Income				
Accrued charges on borrowings	$ 11,839,954		$	12,064,256
Accounts payable and other liabilities	9,350,862			8,573,525
Deferred income	3,275,488			3,654,639
		$ 24,466,304		24,292,420
Borrowings—Note B				
Loans from the International Bank for Reconstruction and Development	$ 881,842,674			528,206,815
Less—Undrawn	386,022,105			54,000,000
Withdrawn and outstanding	495,820,569			474,206,815
Loans from others—Withdrawn and outstanding	35,000,000			35,000,000
		530,820,569		509,206,815
Capital and Accumulated Earnings				
Capital stock—Note C				
Authorized 650,000 shares of $1,000 par value each, 650,000 shares—1981				
Subscribed 522,104 shares, 482,768 shares—1981	$ 522,104,000			482,768,000
Less—Portion for which payment is not yet due 24,831 shares, 90,619 shares—1981	24,831,000			90,619,000
		497,273,000		392,149,000
Payment on account of pending subscription		134,000		—
Accumulated earnings		180,733,485		159,159,936
TOTAL		$1,233,427,358		$1,084,808,171

International Finance Corporation

Statement of Income

Exhibit B

For the Fiscal Years Ended June 30, 1982 and June 30, 1981

Expressed in United States Dollars—See Notes to Financial Statements, Exhibit G

		1982	1981
Operating Income			
Income from obligations of governments		$ 3,602,189	$ 1,817,556
Income from loan and equity investments and underwriting commitments:			
Interest	$98,189,076		75,969,033
Interest recovered from investment written off	—		2,367,395
Dividends and profit participations	12,513,818		13,897,013
Commitment charges	4,791,422		3,628,463
Realized gain on equity sales	5,926,239		1,918,581
Commissions	1,229,582		958,919
		122,650,137	98,739,404
Other operating income		272,473	(223,112)
		$126,524,799	$100,333,848
Operating Expenses			
Charges on borrowings	$43,296,596		$ 34,607,563
Administrative expenses[1]	39,254,654		34,289,812
		82,551,250	68,897,375
Income from Operations		$ 43,973,549	$ 31,436,473
Provision for Losses—Note A		(22,400,000)	(19,009,327)
Recovery of Investment Previously Written Off		—	7,051,083
Net Income—Transferred to Accumulated Earnings		$ 21,573,549	$ 19,478,229

[1] The International Bank for Reconstruction and Development is charging the Corporation an annual "Service and Support Fee" which for the year ended June 30, 1982 was fixed at $3,344,000 ($2,874,000—1981).

International Finance Corporation

Statement of Changes in Financial Position

Exhibit C

For the Fiscal Years Ended June 30, 1982 and June 30, 1981

Expressed in United States Dollars—See Notes to Financial Statements, Exhibit G

	1982	1981
Funds Provided		
Net income	$ 21,573,549	$ 19,478,229
Items not requiring or providing cash:		
Provision for losses	22,400,000	19,009,327
Changes in accrued income and expenses	(2,933,686)	167,497
Other	(136,753)	(171,560)
Funds provided from operations	$ 40,903,110	$ 38,483,493
Capital subscriptions	105,124,000	86,080,000
Borrowings	48,229,567	108,106,023
Repayments of loans	90,177,965	77,775,376
Other	8,781,595	6,209,925
Total Funds Provided	$293,216,237	$316,654,817
Funds used		
Disbursements on loan and equity investments net of $284,347,158 ($294,887,205—1981) disbursed on behalf of participants	$245,880,701	$292,531,042
Repayments on borrowings	26,167,504	30,499,645
Total Funds Used	$272,048,205	$323,030,687
Increase (Decrease) in Cash and Liquid Investments	$ 21,168,032	$ (6,375,870)

International Finance Corporation

Statement of Loan and Equity Investments

Exhibit D

June 30, 1982

Expressed in United States Dollars (in thousands)—See Notes to Financial Statements, Exhibit G

COUNTRY, REGION OR OTHER AREA and Obligor	Type of business	Fiscal years in which commitments were made	Original Commitments(1)		Investments held for the Corporation (including undisbursed balances)		
			Total IFC	Total Syndications	Loans	Equity (at cost)	Total loans and equity
Argentina							
Alpargatas S.A.I.C.	Textiles and fibers	1977	$ 3,500	$ 3,500	$ 3,234	$ —	$ 3,234
Alpesca S.A.	Food and food processing	1979	5,687	—	5,200	487	5,687
Celulosa Argentina, S.A.	Pulp and paper products	1965, 1972	8,500	4,000	1,300	—	1,300
Dalmine Siderca, S.A.I.C.	Iron and steel	1969, 1975	14,750	2,250	5,604	—	5,604
Ipako Industrias Petroquimicas Argentinas S.A.	Chemicals and petrochemicals	1978, 1979, 1982	20,000	—	20,000	—	20,000
Juan Minetti S.A.	Cement and construction material	1978, 1981, 1982	24,000	50,000	23,250	—	23,250
Massuh S.A.	Pulp and paper products	1978	5,000	3,000	5,000	—	5,000
Soyex S.A.	Food and food processing	1977	9,000	—	6,400	—	6,400
					69,988	487	70,475
Bangladesh							
Highspeed Shipbuilding and Heavy Engineering Company Limited	Ship-building	1979	1,564	—	1,200	364	1,564
Industrial Promotion and Development Company of Bangladesh Limited	Development finance	1980	1,050	—	—	1,050	1,050
					1,200	1,414	2,614
Bolivia							
Banco Industrial, S.A.	Development finance	1976	550	—	—	550	550
Cerveceria Boliviana Nacional S.A.	Food and food processing	1981	5,700	—	5,700	—	5,700
Molino Andino S.R.L.	Food and food processing	1978	1,300	1,000	1,216	—	1,216
Plasmar, S.A.	Plastic products	1973	359	41	—	100	100
					6,916	650	7,566
Botswana							
Botswana Development Corporation Limited	Development finance	1979	367	—	—	367	367
Brazil							
Acos Villares, S.A.	Iron and steel	1966, 1968, 1972	7,282	2,644	—	116	116
Brasilpar Comercio e Participacoes S.A.	Money and capital market	1981	1,500	—	—	1,185	1,185
Capuava Carbonos Industriais, Ltda.	Chemicals and petrochemicals	1975, 1979	3,673	3,700	1,240	841	2,081
Cimento Caue S.A.	Cement and construction material	1982	25,000	20,000	20,000	5,000	25,000
Cimetal Siderurgia S.A.	Iron and steel	1978	10,000	—	6,000	3,000	9,000
Ciminas—Cimento Nacional de Minas, S.A.	Cement and construction material	1972, 1975, 1981	41,084	134,756	31,333	6,700	38,033
Companhia Brasileira de Agropecuaria—COBRAPE	Food and food processing	1981	8,500	—	5,500	3,000	8,500
Companhia Siderurgica de Guanabara (COSIGUA)	Iron and steel	1973, 1974, 1977, 1981	23,227	64,968	2,663	11,164	13,827
Dende do Para S/A—DENPASA—Agricultura, Industria e Comercio de Oleaginosas	Palm oil	1980	4,500	—	3,500	1,000	4,500
Destilaria Cianorte S.A.	Chemicals and petrochemicals	1980	250	—	—	250	250
Empresa de Desenvolvimento de Recursos Minerais "CODEMIN" S.A.	Mining	1973, 1978	25,740	67,600	5,000	3,940	8,940
Fabrica de Tecidos Tatuape S.A.	Textiles and fibers	1974	7,750	23,250	2,065	—	2,065
FMB S.A. Produtos Metalurgicos	Iron and aluminum castings	1977	20,000	—	18,570	—	18,570
Industrias Villares, S.A.	Machinery	1974	3,000	3,000	712	—	712
Iochpe Agro-Industrial S/A—Arrendamento Mercantil	Money and capital market	1982	10,450	20,000	10,000	450	10,450
Mineracao Rio do Norte S.A.	Mining	1977	15,000	—	10,313	—	10,313
Oxiteno Nordeste, S.A.	Chemicals and petrochemicals	1975	10,000	—	4,440	—	4,440

International Finance Corporation

Statement of Loan and Equity Investments *(continued)*

Exhibit D

June 30, 1982

Expressed in United States Dollars (in thousands)—See Notes to Financial Statements, Exhibit G

COUNTRY, REGION OR OTHER AREA and Obligor	Type of business	Fiscal years in which commitments were made	Original Commitments[1]		Investments held for the Corporation (including undisbursed balances)		
			Total IFC	Total Syndications	Loans	Equity (at cost)	Total loans and equity
Brazil *(continued)*							
Oxiteno, S.A. Industria e Comercio	Chemicals and petrochemicals	1971	$ 6,040	$ —	$ 287	$ 1,240	$ 1,527
Papel e Celulose Catarinense, S.A.	Pulp and paper products	1966, 1969	5,591	1,601	—	3,408	3,408
Petroquimica Triunfo S.A.	Chemicals and petrochemicals	1981	19,000	31,000	15,000	4,000	19,000
Petroquimica Uniao S.A.	Chemicals and petrochemicals	1969	5,921	2,459	—	2,046	2,046
Poliolefinas, S.A. Industria e Comercio	Chemicals and petrochemicals	1970	7,302	1,075	—	1,711	1,711
Polisul Petroquimica S.A.	Chemicals and petrochemicals	1980, 1981	20,000	28,000	15,000	5,000	20,000
PPH—Companhia Industrial de Polipropileno	Chemicals and petrochemicals	1980	17,000	—	15,000	2,000	17,000
Rio Grande—Companhia de Celulose do Sul	Pulp and paper products	1971	4,900	—	1,225	—	1,225
Santista Industria Textil do Nordeste, S.A.	Textiles and fibers	1976	7,450	—	1,231	1,000	2,231
Sotave Amazonia Quimica e Mineral S/A	Fertilizers	1980	20,000	—	16,000	4,000	20,000
Tecanor S.A. Textil Catarinense do Nordeste and Hering do Nordeste S.A.—MALHAS	Textiles and fibers	1976, 1980	18,200	—	14,023	—	14,023
Villares Industrias de Base S.A.—VIBASA	Iron and steel	1980	5,000	—	5,000	—	5,000
Volvo do Brasil Motores e Veiculos S.A.	Motor vehicles and accessories	1979	14,096	50,000	10,000	4,096	14,096
					214,102	65,147	279,249
Burundi							
Verreries du Burundi, S.A.R.L.	Glass containers	1981, 1982	5,634	—	4,770	864	5,634
Cameroon							
Alucam—Compagnie Camerounaise de l'Aluminium Pechiney-Ugine	Nonferrous metal	1979	7,932	—	7,000	932	7,932
Bata Societe Anonyme Camerounaise	Shoes	1975	127	253	—	127	127
S.A.F.A. Cameroun, S.A.C.	Food and food processing	1977, 1979, 1981	1,382	—	—	1,382	1,382
Societe Camerounaise de Minoteries	Food and food processing	1981	1,308	—	1,122	186	1,308
Societe Camerounaise de Verrerie	Glass containers	1981	1,810	—	1,700	110	1,810
					9,822	2,737	12,559
Chile							
Compania Chilena de Inversiones S.A. Agente de Valores	Money and capital market	1982	200	—	—	200	200
Empresa Minera de Mantos Blancos, S.A.	Mining	1958, 1959, 1966	4,145	193	—	1,238	1,238
					—	1,438	1,438
Colombia							
Cementos Boyaca, S.A.	Cement and construction material	1974	1,500	—	442	—	442
Cementos del Caribe, S.A.	Cement and construction material	1975	3,600	—	900	—	900
Compania Colombiana de Clinker, S.A.	Cement and construction material	1977, 1980	2,731	—	1,946	785	2,731
Corporacion Financiera Colombiana	Development finance	1962	2,024	—	—	959	959
Corporacion Financiera de Caldas	Development finance	1964, 1970	812	—	—	701	701
Corporacion Financiera del Norte	Development finance	1969, 1973	454	—	—	450	450
Corporacion Financiera Nacional	Development finance	1962, 1963	2,042	—	—	211	211
Leasing Bolivar, S.A.	Money and capital market	1981	3,171	6,000	3,000	171	3,171
Petroleos Colombianos Limited	Chemicals and petrochemicals	1981, 1982	7,009	9,000	3,150	3,859	7,009
Pro-Hoteles, S.A.	Tourism	1970, 1977	973	71	148	136	284
Promigas, S.A.	Utilities	1977	8,000	7,000	3,376	2,000	5,376
					12,962	9,272	22,234

Congo, People's Republic of the							
Societe des Placages au Congo (PLACONGO S.A.)	Logging and veneer	1981	3,500	—	3,500	—	3,500
Societe d'Etude de la Cellulose du Congo	Pulp and paper products	1982	161	—	—	161	161
					3,500	161	3,661
Costa Rica							
Maricultura, S.A.	Food and food processing	1979	2,100	—	1,400	700	2,100
Scott Paper Company de Costa Rica, S.A.	Pulp and paper products	1978	2,500	—	2,083	—	2,083
					3,483	700	4,183
Cyprus							
The Cyprus Cement Company Limited	Cement and construction material	1973	2,287	597	116	138	254
The Cyprus Pipes Industries Limited	Cement and construction material	1977	730	—	267	230	497
					383	368	751
Dominican Republic							
Cementos Nacionales, S.A.	Cement and construction material	1974, 1981	7,740	—	5,667	1,740	7,407
Ecuador							
Ecuatoriana de Desarrollo, S.A. (Compania Financiera)	Development finance	1969, 1973, 1975, 1977, 1981, 1982	520	—	—	306	306
La Cemento Nacional, C.E.M.	Cement and construction material	1978, 1980, 1982	12,953	—	11,000	953	11,953
Minera Toachi S.A.	Mining	1981	1,250	—	1,000	—	1,000
Sociedad Agricola e Industrial San Carlos, S.A.	Food and food processing	1976	5,000	—	2,941	—	2,941
					14,941	1,259	16,200
Egypt, Arab Republic of							
Arab Ceramic Company S.A.	Ceramics	1976, 1982	6,293	1,500	4,119	1,164	5,283
Crocodile Tourist Project Company SAE	Tourism	1981	5,263	—	4,410	853	5,263
Delta Sugar Company S.A.E.	Food and food processing	1978	15,001	8,000	12,000	3,001	15,001
Ismailia Fish Farming Company S.A.E.	Food and food processing	1980, 1981	2,484	—	1,930	554	2,484
Ismailia Misr Poultry Company, S.A.E.	Food and food processing	1979	7,489	—	5,472	1,519	6,991
Nile Clothing Company, S.A.	Ready-made garments	1978	592	—	325	158	483
Suez Cement Company	Cement and construction material	1980	30,000	—	30,000	—	30,000
					58,256	7,249	65,505
El Salvador							
Hoteles de Centro America, Sociedad Anonima	Tourism	1969	934	—	136	233	369
Ethiopia							
Ethiopian Pulp and Paper, S.C.	Pulp and paper products	1966	1,209	700	—	121	121
H.V.A.—Metahara, S.C.	Food and food processing	1968	7,824	1,221	—	1,622	1,622
Textile Mills of Dire Dawa	Textiles and fibers	1965, 1970, 1973	4,103	711	—	837[2]	837
					—	2,580	2,580
Greece							
Aluminium de Grece, Societe Anonyme Industrielle et Commerciale	Nonferrous metal	1970, 1972	5,372	3,281	—	577	577
Asbestos Mines of Northern Greece, Mining S.A.	Mining	1980	10,792	—	8,000	2,792	10,792
Hellenic Food Industries, S.A.	Food and food processing	1975, 1977, 1979	1,324	—	71	—	71
National Investment Bank for Industrial Development, S.A.	Development finance	1966, 1977	5,719	35,000	2,455	—	2,455
					10,526	3,369	13,895
Guatemala							
Cementos Progreso, S.A.	Cement and construction material	1977	3,000	—	1,875	—	1,875
Exploraciones y Explotaciones Mineras Izabal, Sociedad Anonima	Mining	1974	15,000	—	5,250	—	5,250
					7,125	—	7,125
Guyana							
Industrial Domestic and Electrical Appliances Limited	Home appliances	1979	2,000	—	1,857	—	1,857

Statement of Loan and Equity Investments *(continued)*

Exhibit D

June 30, 1982

Expressed in United States Dollars (in thousands)—See Notes to Financial Statements, Exhibit G

COUNTRY, REGION OR OTHER AREA and Obligor	Type of business	Fiscal years in which commitments were made	Original Commitments(1)		Investments held for the Corporation (including undisbursed balances)		
			Total IFC	Total Syndications	Loans	Equity (at cost)	Total loans and equity
Haiti							
Promoteurs et Investisseurs Associes, S.A.	Food and food processing	1982	$ 1,500	$ —	$1,350	$ 150	$ 1,500
Honduras							
Textiles Rio Lindo, S.A. de C.V.	Textiles and fibers	1978	4,000	6,000	2,400	1,000	3,400
India							
Ashok Leyland Limited	Motor vehicles and accessories	1982	14,000	14,000	14,000	—	14,000
Bharat Forge Company Limited	Iron and steel	1982	8,131	8,000	8,131	—	8,131
Coromandel Fertilisers Limited	Cement and construction material	1981	15,875	—	15,875	—	15,875
Deepak Fertilisers and Petrochemicals Corporation Limited	Chemicals and petrochemicals	1980, 1982	8,720	—	7,500	1,220	8,720
Escorts Limited	Engine parts	1976	6,600	—	3,772	—	3,772
Housing Development Finance Corporation Limited	Money and capital market	1978	5,223	—	3,400	616	4,016
Indian Explosives, Ltd.	Fertilizers	1967	10,534	928	—	1,865	1,865
Lakshmi Machine Works, Ltd.	Machinery	1964	1,171	141	—	118	118
Mahindra & Mahindra Limited	Motor vehicles and accessories	1981	15,000	—	15,000	—	15,000
Mahindra Ugine Steel Company, Ltd.	Iron and steel	1964, 1975, 1979	13,000	142	6,531	1,176	7,707
Nagarjuna Steels Limited; Nagarjuna Signode Limited; Nagarjuna Coated Tubes Limited	Iron and steel	1981	7,231	—	6,725	505	7,230
The Bombay Dyeing and Manufacturing Company Limited	Chemicals and Petrochemicals	1982	13,800	5,000	13,800	—	13,800
The Indian Rayon Corporation Limited	Cement and construction material	1982	8,334	—	8,334	—	8,334
The Tata Iron and Steel Company Limited	Iron and steel	1981	18,000	20,000	18,000	—	18,000
Zuari Agro Chemicals, Ltd.	Fertilizers	1969, 1970	14,961	3,950	1,823	2,676	4,499
					122,891	8,176	131,067
Indonesia							
P.T. Daralon Textile Manufacturing Corporation	Textiles and fibers	1972, 1977, 1979	5,548	1,733	2,658	—	2,658
P.T. Jakarta International Hotel	Tourism	1973	4,000	7,000	1,666	—	1,666
P.T. Kamaltex	Textiles and fibers	1974, 1977	4,100	400	1,050	750	1,800
P.T. Papan Sejahtera	Money and capital market	1980	5,203	—	4,000	1,203	5,203
P.T. Primatexco Indonesia	Textiles and fibers	1971, 1974	4,651	150	—	765	765
P.T. Private Development Finance Company of Indonesia	Development finance	1974	483	—	—	362	362
P.T. Saseka Gelora Leasing	Money and capital market	1982	2,285	2,000	2,000	285	2,285
P.T. Semen Andalas Indonesia	Cement and construction material	1980	25,000	28,000	20,000	5,000	25,000
P.T. Semen Cibinong	Cement and construction material	1971, 1973, 1974, 1976	18,546	8,270	4,056	2,201	6,257
P.T. Supreme Indo-American Industries	Glass dinnerware	1980	6,036	6,000	5,100	936	6,036
P.T. Unitex	Textiles and fibers	1971	2,050	1,250	—	800	800
					40,530	12,302	52,832
Iran							
Gorouh Sanaye Kaghas Pars Sherkate Sahami Aam	Pulp and paper products	1972	12,159	2,034	2,678	—	2,678
Sherkate Sahami Carbon Iran, Sahami Khass	Chemicals and petrochemicals	1973	2,719	834	1,525	348	1,873
					4,203	348	4,551
Israel							
Makhteshim Chemical Works Ltd.	Chemicals and petrochemicals	1974, 1976	10,500	—	4,462	—	4,462

Ivory Coast							
Banque Ivoirienne de Developpement Industriel, S.A.	Development finance	1965, 1978	424	—	—	424	424
Ets R. Gonfreville, S.A.	Textiles and fibers	1977	885	—	—	885	885
Moulin du Sud-Ouest	Food and food processing	1980	3,306	—	2,900	406	3,306
Societe Ivoirienne d'Engrais (Siveng)	Fertilizers	1980	6,392	—	5,120	1,272	6,392
					8,020	2,987	11,007
Jamaica							
Jamaica Flour Mills Limited	Food and food processing	1982	5,000	—	5,000	—	5,000
Pegasus Hotels of Jamaica, Ltd.	Tourism	1969	1,987	926	442	669	1,111
West Indies Glass Company Limited	Glass containers	1981	2,250	—	2,096	—	2,096
					7,538	669	8,207
Jordan							
Jordan Ceramic Industries Company Ltd.	Ceramics	1974	1,576	250	750	226	976
Jordan Fertilizer Industry Company, Ltd.	Fertilizers	1975, 1978, 1982	38,254	50,000	29,508	8,746	38,254
Jordan Leasing Company, Ltd.	Money and capital market	1982	281	—	—	281	281
Jordan Lime and Silicate Brick Industries Company Limited	Cement and construction material	1979	3,160	—	2,308	660	2,968
Jordan Securities Corporation Limited	Money and capital market	1979	674	—	—	674	674
					32,566	10,587	43,153
Kenya							
Bamburi Portland Cement Company Limited	Cement and construction material	1982	4,506	—	4,472	—	4,472
Development Finance Company of Kenya Limited	Development finance	1980	1,314	—	—	1,314	1,314
Diamond Trust of Kenya Limited	Money and capital market	1982	994	—	—	994	994
Industrial Promotion Services (Kenya) Limited	Money and capital market	1982	686	—	—	686	686
Kenya Commercial Finance Company Limited	Money and capital market	1981	5,000	—	5,000	—	5,000
Kenya Hotel Properties, Ltd.	Tourism	1967, 1968, 1973	4,918	962	2,149	718	2,867
Panafrican Paper Mills (E.A.), Ltd.	Pulp and paper products	1970, 1974, 1977, 1979, 1981	24,549	3,965	14,120	4,510	18,630
Rift Valley Textiles Limited	Textiles and fibers	1976	8,069	1,000	5,300	2,770	8,070
Tourism Promotion Services (Kenya) Ltd.	Tourism	1972	1,629	791	1,003	—	1,003
Loans to small and medium scale industries in Kenya in cooperation with Kenya Commercial Bank Limited	Money and capital market	1977	2,000	—	1,422	—	1,422
					33,466	10,992	44,458
Korea, Republic of							
Chonju Paper Manufacturing Co., Ltd.	Pulp and paper products	1976	5,534	—	2,000	534	2,534
Gold Star Company, Ltd.	Electric products	1975, 1976, 1977, 1979, 1980	19,854	13,000	4,142	5,938	10,080
Hae Un Dae Development Company, Ltd.	Tourism	1975	3,450	—	1,882	700	2,582
Korea Development Leasing Corporation	Money and capital market	1977, 1979	5,621	10,000	2,812	621	3,433
Korea Investment and Finance Corporation	Money and capital market	1971, 1974, 1976, 1979, 1980, 1982	3,260	—	—	2,129	2,129
Korea Long Term Credit Bank	Development finance	1968, 1974, 1976, 1977, 1978, 1980	13,565	8,938	5,932	3,868	9,800
Korea Securities Finance Corporation	Money and capital market	1975, 1977, 1980, 1982	7,245	—	1,563	1,871	3,434
Korea Technology Advancement Corporation	Research and development	1982	675	—	—	675	675
Korea Zinc Company, Ltd.	Nonferrous metal	1976	19,017	—	8,125	4,017	12,142
Taihan Bulk Terminal Co., Ltd.	Grain bulk terminal	1981	6,000	3,500	3,500	2,500	6,000
Tong Yang Nylon Company, Limited	Textiles and fibers	1975	9,000	—	2,166	2,070	4,236
					32,122	24,923	57,045
Liberia							
Liberian Bank for Development and Investment	Development finance	1966, 1977	555	1	—	555	555
Madagascar							
Bata S.A. Malgache	Shoes	1980	1,250	—	1,250	—	1,250
Societe Textile de Majunga S.A.	Textiles and fibers	1977	11,300	—	9,673	300	9,973
					10,923	300	11,223

International Finance Corporation

Statement of Loan and Equity Investments *(continued)*

Exhibit D

June 30, 1982

Expressed in United States Dollars (in thousands)—See Notes to Financial Statements, Exhibit G

COUNTRY, REGION OR OTHER AREA and Obligor	Type of business	Fiscal years in which commitments were made	Original Commitments(1)		Investments held for the Corporation (including undisbursed balances)		
			Total IFC	Total Syndications	Loans	Equity (at cost)	Total loans and equity
Malawi							
David Whitehead and Sons (Malawi) Ltd.	Textiles and fibers	1976, 1982	$10,801	$ —	$ 7,615	$ —	$ 7,615
Dwangwa Sugar Corporation Limited	Food and food processing	1977, 1981	9,945	—	8,840	—	8,840
Ethanol Company Limited	Chemicals and petrochemicals	1981, 1982	2,458	—	2,203	245	2,448
Investment and Development Bank of Malawi Limited	Development finance	1979	605	—	—	605	605
Malawi Hotels Limited	Tourism	1980	1,965	—	1,965	—	1,965
					20,623	850	21,473
Malaysia							
India-Malaysia Textiles, Berhad	Textiles and fibers	1970	1,498	—	890	248	1,138
Mali							
Societe Industrielle de Karite du Mali, S.A.	Sheanut butter	1982	2,306	—	1,870	436	2,306
Societe Mamadou Sada Diallo et Freres SARL (Somaci)	Bleach and plastic products	1978	600	—	557	—	557
					2,427	436	2,863
Mauritius							
Dinarobin Inns and Motels Limited	Tourism	1971	517	98	37	—	37
Mexico							
Cancun Aristos Hotel	Tourism	1974, 1981	1,304	—	439	327	766
Celanese Mexicana, S.A.	Textiles and fibers	1971	8,000	4,000	1,714	—	1,714
Celulosicos Centauro, S.A.	Pulp and paper products	1981	15,500	44,000	15,500	—	15,500
Cementos Veracruz, S.A.	Cement and construction material	1973, 1979	11,352	4,500	5,352	—	5,352
Conductores Monterrey, S.A.	Electrical wire and cable	1979	5,000	13,000	5,000	—	5,000
Corporacion Agroindustrial, S.A. de C.V.	Food and food processing	1981	9,300	5,000	6,300	3,000	9,300
Empresas Tolteca de Mexico, S.A.	Cement and construction material	1979	15,000	85,000	15,000	—	15,000
Fundidora Monterrey, S.A.	Iron and steel	1962, 1965, 1966, 1968	5,301	18,440	676	1,420	2,096
Hotel Camino Real Ixtapa, S.A.	Tourism	1979, 1981	3,101	—	—	3,101	3,101
Industrias Resistol, S.A.	Particle board	1980	8,000	17,000	7,500	—	7,500
Mexinox, S.A.	Iron and steel	1975, 1978	15,180	—	7,338	3,180	10,518
Minera Real de Angeles, S.A. de C.V.	Mining	1980	30,000	80,000	30,000	—	30,000
Papeles Ponderosa, S.A.	Pulp and paper products	1978, 1981	7,957	4,500	2,911	3,458	6,369
Tereftalatos Mexicanos, S.A.	Chemicals and petrochemicals	1978	19,000	—	19,000	—	19,000
Vidrio Plano de Mexico, S.A. and Vitro Flotado, S.A.	Flat glass	1980	15,000	99,900	15,000	—	15,000
					131,730	14,486	146,216
Morocco							
Asment de Temara S.A.	Cement and construction material	1977, 1980	8,328	—	3,777	3,573	7,350
Banque Nationale pour le Developpement Economique	Development finance	1963, 1978	2,442	253	—	1,544	1,544
Cimenterie Nouvelle de Casablanca—Cinouca, S.A.	Cement and construction material	1982	15,800	—	15,800	—	15,800
Compania Industrial del Lukus, S.A.	Food and food processing	1966	1,268	120	—	399	399
Societe des Ciments de Marrakech, S.A.	Cement and construction material	1976	1,274	—	—	1,274	1,274
Societe Miniere du Bou-Gaffer "SOMIFER"	Mining	1980	15,335	—	12,987	2,348	15,335
					32,564	9,138	41,702

Nepal							
Nepal Orind Magnesite (Private) Limited	Mining	1982	5,895	—	5,895	—	5,895
Soaltee Hotel Limited	Tourism	1975	3,128	—	2,253	428	2,681
					8,148	428	8,576
Nicaragua							
Nicaragua Sugar Estates, Ltd.	Food and food processing	1976	6,500	—	3,133	—	3,133
Posada del Sol, S.A.	Tourism	1976	900	—	656	200	856
					3,789	200	3,989
Niger							
Les Moulins du Sahel, S.A.	Food and food processing	1982	2,033	—	2,305	272	2,305
Nigeria							
Arewa Textiles, Ltd.	Textiles and fibers	1964, 1967, 1970	847	728	—	442	442
Funtua Cottonseed Crushing Company Limited	Cottonseed oil	1973	1,064	516	399	—	399
Ikeja Hotel Limited	Tourism	1981	9,490	—	6,480	1,930	8,410
Nigerian Aluminium Extrusions Limited	Nonferrous metals	1973, 1974	1,328	—	478	326	804
Nigerian Textile Mills Limited	Textiles and fibers	1980	6,889	—	6,154	735	6,889
					13,511	3,433	16,944
Oman							
Oman Development Bank S.A.O.	Development finance	1979	2,029	—	—	2,029	2,029
Pakistan							
Asbestos Cement Industries Limited	Cement and construction material	1982	3,819	—	3,819	—	3,819
Dawood Hercules Chemicals, Ltd.	Fertilizers	1969	3,923	—	—	2,923	2,923
Fauji Foundation	Woven polypropylene bags	1980	1,776	—	1,776	—	1,776
Gharibwal Cement, Ltd.	Cement and construction material	1962, 1965	5,379	289	—	418	418
Habib Arkady Limited	Food and food processing	1981	3,314	—	3,150	164	3,314
Milkpak Limited	Food and food processing	1979	2,282	500	1,900	381	2,281
Packages Limited	Pulp and paper products	1965, 1980, 1982	10,978	9,362	8,189	605	8,794
Pakistan Industrial Credit and Investment Corporation, Ltd.	Development finance	1963, 1969, 1975	520	—	—	483	483
Pakistan Oilfields Limited and Attock Refinery Limited	Chemicals and petrochemicals	1979, 1982	16,322	14,500	11,600	1,822	13,422
Pakistan Paper Corporation, Ltd.	Pulp and paper products	1967, 1976	6,855	546	4,511	2,019	6,530
					34,945	8,815	43,760
Panama							
Banco Latinoamericano de Exportaciones, S.A.	Money and capital market	1979	2,500	—	—	2,500	2,500
Corporacion de Desarrollo Hotelero, S.A.	Tourism	1971	1,473	—	687	—	687
Vidrios Panamenos, S.A.	Glass containers	1978	3,800	—	2,400	1,400	3,800
					3,087	3,900	6,987
Paraguay							
Empresa Hotelera de Encarnacion S.A.	Tourism	1981	1,180	—	900	280	1,180
Sociedad Agricola Golondrina S.A.	Food and food processing	1982	7,000	—	5,000	2,000	7,000
					5,900	2,280	8,180
Peru							
Cemento Andino, S.A.	Cement and construction material	1962, 1968	2,462	—	—	192	192
Compania de Cemento Pacasmayo, S.A.	Cement and construction material	1964, 1967	296	1,309	—	91	91
Compania de Minas Buenaventura, S.A.	Mining	1979	2,460	—	1,332	460	1,792
Compania Minera San Ignacio de Morococha, S.A.	Mining	1980	3,200	—	2,475	500	2,975
Consorcio Energetico de Huancavelica, S.A.	Utilities	1982	4,500	—	4,500	—	4,500
Sogewiese Leasing, S.A.	Money and capital market	1982	3,137	—	3,000	137	3,137
Southern Peru Copper Corporation	Mining	1975	15,000	—	5,933	—	5,933
					17,240	1,380	18,620

International Finance Corporation

Statement of Loan and Equity Investments *(continued)*

Exhibit D

June 30, 1982

Expressed in United States Dollars (in thousands)—See Notes to Financial Statements, Exhibit G

COUNTRY, REGION OR OTHER AREA and Obligor	Type of business	Fiscal years in which commitments were made	Original Commitments[1] Total IFC	Original Commitments[1] Total Syndications	Investments held for the Corporation (including undisbursed balances) Loans	Investments held for the Corporation (including undisbursed balances) Equity (at cost)	Investments held for the Corporation (including undisbursed balances) Total loans and equity
Philippines							
Acoje Mining Company, Inc.	Mining	1977	$ 3,521	$ —	$ 1,238	$ 1,221	$ 2,459
Cebu Shipyard and Engineering Works, Inc.	Ship-repairing	1978	2,100	—	1,969	—	1,969
Davao Union Cement Corporation	Cement and construction material	1981	16,000	—	16,000	—	16,000
Filipinas Synthetic Fiber Corporation	Textiles and fibers	1974	1,500	—	473	—	473
General Milling Corporation	Food and food processing	1979	5,082	—	4,000	1,082	5,082
Maria Cristina Chemical Industries, Inc.	Iron and steel	1974, 1979	2,190	—	456	640	1,096
Marinduque Mining and Industrial Corporation	Mining	1972	15,000	—	5,625	—	5,625
Mariwasa Manufacturing, Inc.	Cement and construction material	1970, 1972	646	547	—	98	98
NDC-Guthrie Plantations, Inc.	Palm oil	1982	11,000	—	11,000	—	11,0000
Philagro Edible Oils, Inc.	Coconut oil and copra	1976, 1980	2,839	—	1,822	—	1,822
Philippine Associated Smelting and Refining Corporation	Mining	1981, 1982	5,000	—	—	5,000	5,000
Philippine Long Distance Telephone Company	Utilities	1970, 1982	4,530	—	269	784	1,053
Philippine Petroleum Corporation	Chemicals and petrochemicals	1971, 1977	8,272	—	1,550	872	2,422
Philippine Polyamide Industrial Corporation	Textiles and fibers	1975	7,000	—	5,250	—	5,250
Piso Leasing Corporation	Money and capital market	1980	2,152	3,000	1,750	152	1,902
Private Development Corporation of the Philippines	Development finance	1963, 1973,	6,728	12,631	3,600	—	3,600
RFM Corporation	Food and food processing	1974	1,200	—	381	—	381
Sarmiento Industries, Inc.	Plywood	1977	3,500	—	2,566	—	2,566
Ventures in Industry and Business Enterprises, Inc.	Money and capital market	1980	267	—	—	267	267
Loans to seven corporations for small- and medium-scale enterprises	Money and capital market	1981	19,190	—	18,500	690	19,190
					76,449	10,806	87,255
Portugal							
S.P.I.—Sociedade Portuguesa de Investimentos, S.A.R.L.	Development finance	1982	11,045	—	10,000	1,045	11,045
Rwanda							
Societe Rwandaise pour la Production et la Commercialisation du The (SORWATHE)	Food and food processing	1976, 1979	821	—	634	60	694
Senegal							
Banque de l'Habitat du Senegal S.A.	Money and capital market	1980	465	—	—	465	465
Industries Chimiques du Senegal, S.A.	Fertilizer	1982	25,000	—	25,000	—	25,000
Societe Financiere Senegalaise pour le Developpement de l'Industrie et du Tourisme	Development finance	1974	237	—	—	237	237
Societe Hoteliere du Barachois, S.A.	Tourism	1980	3,000	—	3,000	—	3,000
Societe Industrielle d'Engrais au Senegal	Fertilizers	1967	3,460	—	—	810	810
					28,000	1,512	29,512
Sierra Leone							
Sierra Cement Manufacturing Company Limited—"Seracem"	Cement and construction material	1980	2,050	—	2,050	—	2,050
Somalia							
Somali Molasses Company Limited	Food and food processing	1981	375	—	375	—	375
Spain							
Industrias de Tableros y Derivados de la Madera, S.A.	Fiberboard	1974, 1979	6,346	—	4,998	1,035	6,033
Sociedad Espanola de Financiacion de la Innovacion, S.A.	Money and capital market	1978	877	—	—	877	877
					4,998	1,912	6,910

Sri Lanka							
Bank of Ceylon	Money and capital market	1978, 1981	7,000	—	6,746	—	6,746
Ceylon Synthetic Textile Mills Limited	Textiles and fibers	1979, 1981	2,412	1,272	1,875	537	2,412
Development Finance Corporation of Ceylon	Development finance	1978, 1980	155	—	—	155	155
Lanka Orient Leasing Company Limited	Money and capital market	1980	249	—	—	249	249
Mikechris Industries Limited	Woven polypropylene bags	1979	985	—	712	94	806
Taj Lanka Hotels Limited	Tourism	1981, 1982	8,900	11,100	8,200	700	8,900
					17,533	1,735	19,268
Sudan							
Cotton Textile Mills, Ltd.	Textiles and fibers	1976	9,979	—	8,714	1,265	9,979
Gezira Managil Textile Company Limited	Textiles and fibers	1978	8,083	—	6,687	1,396	8,083
Seleit Food Production Limited	Food and food processing	1978	7,271	5,000	6,154	1,097	7,251
Sudan Eagle Cement Company Ltd.	Cement and construction material	1980	250	—	—	250	250
White Nile Petroleum Company Limited	Chemicals and petrochemicals	1982	300	—	—	300	300
					21,555	4,308	25,863
Swaziland							
The Royal Swaziland Sugar Corporation Limited	Food and food processing	1978	8,461	—	8,000	461	8,461
Tanzania							
Highland Soap and Allied Products Limited	Soap	1978	1,741	—	1,375	366	1,741
Metal Products Limited	Household utensils	1979	1,510	—	1,123	184	1,307
					2,498	550	3,048
Thailand							
Bangkok Glass Industry Co., Ltd.	Glass containers	1979, 1980	5,193	—	4,224	343	4,567
Siam City Cement Co., Ltd.	Cement and construction material	1979, 1981	31,000	36,000	27,000	4,000	31,000
Thai Orient Leasing Company Limited	Money and capital market	1979	147	—	—	147	147
The Mutual Fund Company Limited	Money and capital market	1977	294	—	—	294	294
The Siam Cement Co., Ltd.	Cement and construction material	1969, 1976, 1978, 1980	17,699	14,874	37	2,065	2,102
United Sugar Terminal Limited	Food and food processing	1977	2,700	—	1,389	49	1,438
Loans to small and medium scale industries in Thailand in cooperation with Siam Commercial Bank, Limited	Money and capital market	1978	2,000	—	1,845	—	1,845
					34,495	6,898	41,393
Trinidad and Tobago							
Canning and Company, Limited	Food and food processing	1978	1,150	—	767	—	767
Carib Glassworks Limited	Glass containers	1979	1,200	—	900	—	900
					1,667	—	1,667
Tunisia							
Banque de Developpement Economique de Tunisie	Development finance	1966, 1970, 1978	2,305	—	—	2,305	2,305
Compagnie Financiere Immobiliere et Touristique, Cofit, S.A.	Tourism	1969	9,081	1,167	3,000	2,248	5,248
Industries Chimiques du Fluor, S.A.	Chemicals and petrochemicals	1974	640	—	—	640	640
Societe d'Etudes et de Developpement de Sousse-Nord	Tourism	1973, 1975	3,161	—	1,645	631	2,276
Societe Touristique et Hoteliere Rym, S.A.	Tourism	1973	1,930	—	668	—	668
					5,313	5,824	11,137
Turkey							
Anadolu Cam Sanayii, A.S.	Glass	1970	8,289	3,294	4	1,583	1,587
Asil Celik Sanayi ve Ticaret A.S.	Iron and steel	1976, 1979	16,000	—	10,286	4,000	14,286
Aslan ve Eskihisar Muttehit Cimento ve su Kireci Fabrikalari, A.S.	Cement and construction material	1975	5,600	5,000	1,767	—	1,767
Doktas Dokumculuk Ticaret ve Sanayii, A.S.	Iron and steel	1975, 1978	8,962	—	3,750	1,404	5,154
Ege Mosan Motorlu Araclar Sanayi ve Ticaret A.S.	Engines for mopeds	1979	2,150	—	1,488	—	1,488
Istanbul Segman Sanayi ve Ticaret A.S.	Motor vehicles and accessories	1979, 1980, 1982	10,504	—	8,849	1,655	10,504
Kartaltepe Mensucat Fabrikasi, T.A.S.	Textiles and fibers	1975	1,300	—	186	—	186
Kirklareli Cam Sanayii A.S.	Glass tableware	1981	11,000	2,145	11,000	—	11,000
M.A.N. Motor Sanayi ve Ticaret A.S.	Motor vehicles and accessories	1982	8,944	—	8,944	—	8,944

Statement of Loan and Equity Investments *(continued)*

Exhibit D

June 30, 1982

Expressed in United States Dollars (in thousands)—See Notes to Financial Statements, Exhibit G

COUNTRY, REGION OR OTHER AREA and Obligor	Type of business	Fiscal years in which commitments were made	Original Commitments[1] Total IFC	Total Syndications	Investments held for the Corporation (including undisbursed balances) Loans	Equity (at cost)	Total loans and equity
Turkey *(continued)*							
Mensucat Sanayi ve Ticaret, A.S.	Textiles and fibers	1980	$ 4,000	$ —	$ 4,000	$ —	$ 4,000
Nasas—Aluminyum Sanayii ve Ticareti A.S.	Nonferrous metal	1971, 1976	9,946	—	—	1,372	1,372
Trakya Cam Sanayii A.S.	Glass	1979, 1981	24,000	11,395	21,751	2,249	24,000
Turkiye Sinai Kalkinma Bankasi, A.S.	Development finance	1964, 1967, 1969, 1972, 1973, 1975, 1976, 1977, 1980	19,388	45,028	4,773	2,344	7,117
Viking Kagit ve Seluloz, A.S.	Pulp and paper products	1970, 1971, 1982	3,296	—	—	796	796
					76,798	15,403	92,201
Upper Volta							
Societe Voltaique de Plastique SARL (SOVOLPLAS)	Plastic packaging materials	1979	542	—	405	137	542
Uruguay							
Acodike Supergas S.A.	Chemicals and petrochemicals	1979	950	—	658	—	658
Astra Pesquerias Uruguayas S.A.	Food and food processing	1979, 1982	5,400	—	4,650	750	5,400
Fabrica Uruguaya de Neumaticos, S.A.	Motor vehicles and accessories	1976	3,800	—	2,375	—	2,375
Sur Invest Casa Bancaria S.A.	Money and capital market	1980	10,586	—	10,000	586	10,586
					17,683	1,336	19,019
Venezuela							
Sociedad Financiera Promotora del Mercado de Capitales, C.A.	Money and capital market	1975	701	—	—	701	701
Yemen Arab Republic							
Yemen Dairy and Juice Industries	Food and food processing	1978	2,400	750	2,400	—	2,400
Yugoslavia							
Belisce-Bel Tvornica Papira, Poluceluloze i Kartonaze—Belisce	Pulp and paper products	1973, 1981	30,976	39,889	21,081	—	21,081
Fap-Famos Belgrade/Daimler-Benz, A.G.	Motor vehicles and accessories	1972, 1980	15,796	1,273	4,354	—	4,354
Frikom Ro Industrija Smrznute Hrane	Food and food processing	1977	5,427	1,000	2,995	2,427	5,422
Industrija Za Avtomobilski Delovi I Traktori—"Ruen" Kocani	Motor vehicles and accessories	1982	11,283	—	11,220	—	11,220
Institut Za Fizikalnu Medicinu I Rehabilitaciju—Dr. Simo Milosevic—Igalo	Physical medicine center	1982	16,262	—	16,262	—	16,262
International Investment Corporation for Yugoslavia	Development finance	1970	1,812	188	—	1,625	1,625
Investiciona Banka Titograd-Udruzena Banka	Tourism	1980	21,000	—	21,000	—	21,000
Radna Organizacija Hermeticki Kompresori u Osnivanju, Mostar	Hermetic compressors	1978	7,000	—	5,250	—	5,250
Radoje Dakic	Machinery	1980	18,700	—	18,700	—	18,700
Rudarsko Metalurski Kombinat Zenica	Iron and steel	1976	5,000	45,000	1,667	—	1,667
Salonit Anhovo Industrija Gradbenega Materiala	Cement and construction material	1974	2,500	7,500	938	—	938
Tovarna Avtomobilov in Motorjev Maribor/Klockner Humboldt-Deutz, A.G.	Motor vehicles and accessories	1971, 1980	9,239	869	2,899	—	2,899
Tovarna Avtopnevmatike "Sava-Semperit"	Motor vehicles and accessories	1972, 1978, 1980	13,692	1,341	6,316	—	6,316
Tvornica Kartona I Ambalaze Cazin	Pulp and paper products	1977	10,821	7,366	4,389	2,569	6,958
Z.P. Slovenske Zelezarne Zelezarna Jesenice	Iron and steel	1974	10,000	—	3,750	—	3,750
Zavodi Crvena Zastava/Fiat S.p.A.	Motor vehicles and accessories	1970, 1972, 1980	12,400	600	4,440	—	4,440
Loan to eight banks for small-scale enterprises	Money and capital market	1980	26,000	4,235	26,000	—	26,000
					151,261	6,621	157,882
Zaire							
Societe Financiere de Developpement	Development finance	1970	756	—	—	756	756
Zaire Gulf Oil Company and Zaire Petroleum Company Ltd.	Chemicals and petrochemicals	1979	4,114	—	1,640	—	1,640
					1,640	756	2,396

Zambia							
Century Packages Limited	Plastic wrappings	1975, 1978	1,086	—	430	211	641
Development Bank of Zambia	Development finance	1976	545	—	—	545	545
Ethanol Company of Zambia Limited	Chemicals and petrochemicals	1982	4,152	—	3,557	595	4,152
Kafue Textiles of Zambia Limited	Textiles and fibers	1980	7,603	—	7,603	—	7,603
Zambia Bata Shoe Company Limited	Shoes	1972, 1973	1,147	1,131	—	227	227
Zambia Consolidated Copper Mines Limited	Mining	1980, 1982	48,457	8,000	48,457	—	48,457
					60,047	1,578	61,625
Zimbabwe							
Wankie Colliery Company Limited	Mining	1981	20,000	18,000	20,000	—	20,000
Taiwan, China[3]							
Asia Cement Corporation	Cement and construction material	1970	4,119	100	—	495	495
Far Eastern Textile Limited	Textiles and fibers	1970, 1971	5,055	570	—	400	400
					—	895	895
Regional Investments							
Africa							
SIFIDA Investment Company, S.A.	Development finance	1971, 1976	680	—	—	635	635
Latin America							
ADELA International Financing Company S.A.	Development finance	1970	10,000	—	4,040	—	4,040
					4,040	635	4,675
				Total	$1,550,870	$ 284,092	$1,834,962

Summary

	JUNE 30, 1982			JUNE 30, 1981		
	Loans	Equity (at cost)	Total Loans and Equity	Loans	Equity (at cost)	Total Loans and Equity
INVESTMENTS HELD FOR THE CORPORATION	$1,550,870	$ 284,092	$1,834,962	$1,374,401	$ 272,623	$1,647,024
Undisbursed balances	536,535	38,272	574,807	489,100	46,340	535,440
Disbursed balances	$1,014,335	$ 245,820	$1,260,155	$ 885,301	$ 226,283	$1,111,584
INVESTMENTS HELD BY THE CORPORATION FOR PARTICIPANTS						
Total	$1,066,837	$ —	$1,066,837	$ 915,801	$ —	$ 915,801
Undisbursed balances	288,102	—	288,102	369,249	—	369,249
Disbursed balances	$ 778,735	$ —	$ 778,735	$ 546,552	$ —	$ 546,552
TOTAL INVESTMENTS HELD FOR THE CORPORATION AND FOR PARTICIPANTS						
Total	$2,617,707	$ 284,092	$2,901,799	$2,290,202	$ 272,623	$2,562,825
Undisbursed balances	824,637	38,272	862,909	858,349	46,340	904,689
Disbursed balances	$1,793,070	$ 245,820	$2,038,890	$1,431,853	$ 226,283	$1,658,136

Note (1): Commitments include funds to be provided by IFC for its own account, funds to be provided by participants through the purchase of an interest in IFC's investment, and funds to be provided by other financial institutions in association with IFC, where IFC has rendered material assistance in mobilizing those funds.

Original commitments are composed of disbursed and undisbursed balances. The undisbursed portion is revalued at current exchange rates while the disbursed portion represents the cost of the commitment at the time of disbursement. Loan investments held for the Corporation are revalued at the current exchange rates.

Note (2): IFC's equity investment has been the subject of acquisition procedures by the Government; the matter of payment is pending.

Note (3): Represents investments made at a time when the authorities on Taiwan represented China in the International Finance Corporation (prior to May 15, 1980).

General: The operational investments are represented by loans and equity, as stated. In addition, in certain investments, the Corporation has the right to acquire shares and/or participate in the profits of the enterprise.

International Finance Corporation

Statement of Cumulative Gross Commitments

Exhibit E

June 30, 1982

Expressed in United States Dollars (in thousands)—See Notes to Financial Statements, Exhibit G

COUNTRY, REGION OR OTHER AREA	Number of Enterprises	Cumulative Gross Commitments[1] IFC	Syndications	Total
Afghanistan	1	$ 322	$ —	$ 322
Argentina	14	111,264	65,633	176,897
Australia	2	975	—	975
Bangladesh	2	2,614	—	2,614
Bolivia	5	8,246	1,041	9,287
Botswana	1	367	—	367
Brazil	38	391,677	457,382	849,059
Burundi	1	5,634	—	5,634
Cameroon	5	12,558	253	12,811
Chile	6	20,773	618	21,391
Colombia	26	54,597	24,539	79,136
Congo, People's Republic of the	2	3,661	—	3,661
Costa Rica	3	4,973	217	5,190
Cyprus	2	3,017	597	3,614
Dominican Republic	2	10,740	—	10,740
Ecuador	6	27,240	696	27,936
Egypt, Arab Republic of	7	67,121	9,500	76,621
El Salvador	2	1,074	—	1,074
Ethiopia	3	13,136	2,632	15,768
Finland	4	1,490	1,658	3,148
Greece	7	26,906	40,207	67,113
Guatemala	3	18,200	—	18,200
Guyana	1	2,000	—	2,000
Haiti	1	1,500	—	1,500
Honduras	3	4,352	6,101	10,453
India	22	167,489	52,574	220,063
Indonesia	13	80,974	55,803	136,777
Iran	7	34,343	8,193	42,536
Israel	1	10,500	—	10,500
Italy	1	960	—	960
Ivory Coast	4	11,007	—	11,007
Jamaica	4	9,461	926	10,387
Jordan	5	43,945	50,250	94,195
Kenya	10	53,666	6,718	60,384
Korea, Republic of	13	98,397	36,939	135,336
Lebanon	4	6,505	2,600	9,105
Lesotho	1	330	—	330
Liberia	1	555	1	556
Madagascar	2	12,550	—	12,550
Malawi	5	25,774	—	25,774
Malaysia	4	7,062	1,629	8,691
Mali	2	2,906	—	2,906
Mauritania	1	10,449	9,558	20,007
Mauritius	2	2,267	98	2,365
Mexico	23	174,630	376,542	551,172
Morocco	7	59,160	373	59,533
Nepal	2	9,022	—	9,022
Nicaragua	3	8,543	928	9,471
Niger	1	2,305	—	2,305
Nigeria	7	21,149	1,245	22,394
Oman	1	2,029	—	2,029
Pakistan	15	64,566	28,059	92,625
Panama	3	7,773	—	7,773
Paraguay	3	13,580	—	13,580
Peru	11	33,704	3,573	37,277
Philippines	25	135,341	19,458	154,799
Portugal	1	11,045	—	11,045
Rwanda	1	821	—	821
Senegal	6	33,006	—	33,006
Sierra Leone	1	2,050	—	2,050
Somalia	1	375	—	375
Spain	5	20,433	300	20,733
Sri Lanka	7	21,649	13,672	35,321
Sudan	6	26,631	6,464	33,095
Swaziland	1	8,461	—	8,461
Tanzania	3	6,095	1,814	7,909
Thailand	9	59,717	50,874	110,591
Trinidad and Tobago	2	2,350	—	2,350
Tunisia	6	19,705	2,079	21,784
Turkey	19	160,144	74,362	234,506
Uganda	2	2,942	1,676	4,618
Upper Volta	1	542	—	542
Uruguay	4	20,736	—	20,736
Venezuela	8	24,540	7,581	32,121
Yemen Arab Republic	1	2,400	750	3,150
Yugoslavia	17	217,907	109,262	327,169
Zaire	2	4,870	—	4,870
Zambia	6	62,989	9,131	72,120
Zimbabwe	1	20,000	18,000	38,000
Taiwan, China[2]	2	9,174	670	9,844
Regional:				
Africa	1	680	—	680
Latin America	1	10,000	—	10,000
TOTAL	464	$2,654,641	$1,563,176	$4,217,817

Summary

	June 30 1982	June 30 1981	Increase
Investments held for the Corporation	$1,834,962	$1,647,024	$ 187,938
Principal repayments to the Corporation and recoveries	560,883	470,692	90,191
Syndication and portfolio sales	1,588,378	1,378,381	209,997
Syndication sales pending	28,000	153,100	(125,100)
Cancellations	183,307	168,688	14,619
Investments written off—net of recoveries	20,489	20,549	(60)
Revaluation of disbursed non-US dollar loans	(2,602)	(2,984)	382
Assets acquired through foreclosure	4,400	4,400	—
Total Commitments	$4,217,817	$3,839,850	$ 377,967

Note (1): Cumulative commitments are composed of disbursed and undisbursed balances. The undisbursed portion is revalued at current exchange rates while the disbursed portion represents the cost of the commitment at the time of disbursement.

Note (2): Represents investments made at a time when the authorities on Taiwan represented China in the International Finance Corporation (prior to May 15, 1980).

International Finance Corporation

Statement of Subscriptions to Capital Stock and Voting Power

Exhibit F

June 30, 1982 and June 30, 1981

Expressed in United States Dollars (in thousands)—See Notes to Financial Statements, Exhibit G

	Subscription		Voting Power	
Members	Amount Paid in	Percent of Total	Number of Votes	Percent of Total
Afghanistan	$ 111	.02	361	.07
Argentina	8,190	1.65	8,440	1.60
Australia	10,195	2.05	10,445	1.98
Austria	4,179	.84	4,429	.84
Bangladesh	2,005	.40	2,255	.43
Barbados	93	.02	343	.06
Belgium	13,723	2.76	13,973	2.65
Belize	26	.01	276	.05
Bolivia	407	.08	657	.12
Botswana	29	.01	279	.05
Brazil	8,367	1.68	8,617	1.63
Burma	666	.13	916	.17
Burundi	100	.02	350	.07
Cameroon	414	.08	664	.13
Canada	20,952	4.21	21,202	4.02
Chile	1,940	.39	2,190	.41
China	4,154	.84	4,404	.83
Colombia	1,744	.35	1,994	.38
Congo, People's Republic of the	67	.01	317	.06
Costa Rica	245	.05	495	.09
Cyprus	457	.09	707	.13
Denmark	4,779	.96	5,029	.95
Djibouti	21	*	271	.05
Dominica	11	*	261	.05
Dominican Republic	306	.06	556	.11
Ecuador	674	.14	924	.18
Egypt, Arab Republic of	3,124	.63	3,374	.64
El Salvador	11	*	261	.05
Ethiopia	33	.01	283	.05
Fiji	74	.01	324	.06
Finland	3,319	.67	3,569	.68
France	20,579	4.14	20,829	3.95
Gabon	55	.01	305	.06
Germany, Federal Republic of	33,204	6.68	33,454	6.34
Ghana	1,306	.26	1,556	.29
Greece	1,477	.30	1,727	.33
Grenada	21	*	271	.05
Guatemala	306	.06	556	.11
Guinea-Bissau	18	*	268	.05
Guyana	368	.07	618	.12
Haiti	306	.06	556	.11
Honduras	149	.03	399	.08
Iceland	11	*	261	.05
India	16,717	3.36	16,967	3.21
Indonesia	7,351	1.48	7,601	1.44
Iran	372	.07	622	.12
Iraq	67	.01	317	.06
Ireland	332	.07	582	.11
Israel	450	.09	700	.13
Italy	15,689	3.16	15,939	3.02
Ivory Coast	459	.09	709	.13
Jamaica	1,103	.22	1,353	.26
Japan	25,546	5.14	25,796	4.89
Jordan	350	.07	600	.11
Kenya	1,041	.21	1,291	.24
Korea, Republic of	2,450	.49	2,700	.51
Kuwait	3,700	.74	3,950	.75
Lebanon	50	.01	300	.06
Lesotho	18	*	268	.05
Liberia	83	.02	333	.06
Libya	55	.01	305	.06
Luxembourg	551	.11	801	.15
Madagascar	$ 111	.02	361	.07
Malawi	368	.07	618	.12
Malaysia	3,921	.79	4,171	.79
Mali	116	.02	366	.07
Mauritania	55	.01	305	.06
Mauritius	363	.07	613	.12
Mexico	6,004	1.21	6,254	1.18
Morocco	1,940	.39	2,190	.41
Nepal	256	.05	506	.10
Netherlands	12,176	2.45	12,426	2.35
New Zealand	923	.19	1,173	.22
Nicaragua	149	.03	399	.08
Niger	67	.01	317	.06
Nigeria	5,575	1.12	5,825	1.10
Norway	4,533	.91	4,783	.91
Oman	252	.05	502	.10
Pakistan	4,411	.89	4,661	.88
Panama	344	.07	594	.11
Papua New Guinea	490	.10	740	.14
Paraguay	123	.02	373	.07
Peru	1,461	.29	1,711	.32
Philippines	3,247	.65	3,497	.66
Portugal	2,144	.43	2,394	.45
Rwanda	265	.05	515	.10
St. Lucia	19	*	269	.05
Saudi Arabia	9,251	1.86	9,501	1.80
Senegal	184	.04	434	.08
Seychelles	7	*	257	.05
Sierra Leone	83	.02	333	.06
Singapore	177	.04	427	.08
Solomon Islands	11	*	261	.05
Somalia	83	.02	333	.06
South Africa	3,108	.63	3,358	.64
Spain	5,025	1.01	5,275	1.00
Sri Lanka	1,838	.37	2,088	.40
Sudan	111	.02	361	.07
Swaziland	184	.04	434	.08
Sweden	1,108	.22	1,358	.26
Syrian Arab Republic	72	.01	322	.06
Tanzania	724	.15	974	.18
Thailand	2,818	.57	3,068	.58
Togo	368	.07	618	.12
Trinidad and Tobago	1,059	.21	1,309	.25
Tunisia	133	.03	383	.07
Turkey	3,063	.62	3,313	.63
Uganda	184	.04	434	.08
United Arab Emirates	1,838	.37	2,088	.40
United Kingdom	37,900	7.62	38,150	7.23
United States	146,661	29.49	146,911	27.84
Upper Volta	167	.03	417	.08
Uruguay	919	.18	1,169	.22
Vanuatu	25	.01	275	.05
Venezuela	116	.02	366	.07
Viet Nam	166	.03	416	.08
Western Samoa	9	*	259	.05
Yemen Arab Republic	184	.04	434	.08
Yugoslavia	2,422	.49	2,672	.51
Zaire	1,530	.31	1,780	.34
Zambia	1,286	.26	1,536	.29
Zimbabwe	546	.11	796	.15
Total June 30, 1982	$497,273	100.00†	527,773	100.00†
Total June 30, 1981	$392,149	100.00†	421,899	100.00†

*Less than .005 percent.

†May differ from the sum of the individual percentages shown because of rounding.

International Finance Corporation

Notes to Financial Statements

Exhibit G

June 30, 1982 and June 30, 1981

Note A—Significant Accounting Policies

Translation of Currencies—Equity investments disbursed in currencies other than United States dollars are expressed in United States dollars at the exchange rates which applied at the time of disbursement. Other assets and liabilities not denominated in United States dollars are expressed in terms of United States dollars at the approximate market rates prevailing at June 30, 1982 (June 30, 1981). Exchange gains and losses are credited or charged to income as they occur.

Reserve Against Losses—The Corporation charges income directly with a provision for losses on investments with a corresponding credit to the Reserve Against Losses. The annual charge represents the amount of mature investments in respect of which a significant and relatively permanent decline in value is recognized and an estimate, based on historical experience, of the amount of immature investments for which losses cannot yet be identified.

Net income remaining after the above charge to income is transferred to Accumulated Earnings. Losses on investments when written off are charged directly to the Reserve Against Losses. Changes in the Reserve Against Losses are summarized as follows:

	Fiscal Year Ended June 30	
	1982	1981
Balance beginning of period	$61,540,000	$49,000,000
Provision charged to income	22,400,000	19,009,327
Investments recovered	310,000	—
Investments written off	(250,000)	(6,469,327)
Balance end of period	$84,000,000	$61,540,000

Investment Transactions—Investments are recorded at the date investment commitments are signed by the Corporation and are reflected as assets when disbursed. As of June 30, 1982 investments approved by the Board of Directors but not signed as investment commitments totalled $321.2 million ($135.9 million—1981) of which $107.0 million ($17.7 million—1981) are to be placed with participants and $214.2 million ($118.2 million—1981) are to be held by the Corporation. Gains or losses on sales of investments are measured against the average cost of the investments sold. Gains on investments are credited directly to income when realized and losses are provided for as described in the preceding paragraph.

Revenue Recognition—Dividends, profit participations and commissions are recorded as income when received. Interest, commitment and other charges on loans are recorded as income on an accrual basis. The Corporation does not accrue interest where collectibility is in doubt.

Staff Retirement Plan—The International Bank for Reconstruction and Development has a contributory retirement plan for its staff, which also covers the staff of the Corporation. The staff contribute a fixed percentage of pensionable remuneration and the Bank and the Corporation contribute the remainder of the cost of funding the Plan. The total contribution is determined in accordance with an aggregate funding method. The cost of the Plan is funded as accrued. The total cost allocated to the Corporation for the fiscal year ended June 30, 1982 was $4,628,804 ($3,852,557—1981). All contributions to the Plan and all other assets and income held for the purposes of the Plan are held by the Bank separately from the other assets and income of the Bank and Corporation and can be used only for the benefit of the participants in the Plan and their beneficiaries until all liabilities to them have been discharged.

Note B—Borrowings

The Corporation's borrowings comprise the following:

(1) Loans outstanding from the International Bank for Reconstruction and Development expressed in United States dollars totaling $496 million ($474 million—1981) are summarized below:

Principal Amount ($ millions)		Interest Rate Per Annum	Maturity Date
1982	1981		
$117	$128	7.00%	1982 to 1989
164	173	7.25%	1982 to 1994
12	13	8.20%	1982 to 1992
104	109	8.50%	1982 to 1996
4	—	10.29%	1985 to 1997
95	51	11.00%	1984 to 1995

The principal amounts repayable during the fiscal years ending June 30, 1983 through June 30, 1987 are $28.4, $34.6, $41.1, $43.4 and $46.9 million, respectively, and $301.4 million thereafter.

The proceeds of these loans may only be used by the Corporation in its lending operations.

(2) Loans from others totaling $35 million ($35 million—1981):

Principal Amount ($ millions)		Interest Rate Per Annum	Maturity Date
1982	1981		
$ 35	$ 35	7.875%	1985

The Corporation may use the proceeds of these loans in any operation authorized by its Articles of Agreement.

Note C—Capital Stock

On November 2, 1977 the Board of Governors approved a resolution increasing the authorized capital to $650,000,000. The resolution, as amended, also allocated $468,829,000 for additional subscriptions by members during a subscription period ending August 1, 1982. At June 30, 1982, eighty members had subscribed $412,464,000 of the allocated additional subscription. Members may elect to pay subscriptions in full or in instalments payable not later than August 1, 1982.

Report of Independent Accountants

1801 K Street, N.W.
Washington, D.C. 20006
July 23, 1982

To
International Finance Corporation
Washington, D.C.

In our opinion, the accompanying financial statements present fairly, in terms of United States currency, the financial position of International Finance Corporation at June 30, 1982 and 1981, and the results of its operations and the changes in its 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

Financial Statements Covered by the Foregoing Report

Balance Sheet
Statement of Income
Statement of Changes in Financial Position
Statement of Loan and Equity Investments
Statement of Cumulative Gross Commitments
Statement of Subscriptions to Capital Stock and Voting Power
Notes to Financial Statements

Ext/MC82-16

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

SM
6/14

SecM82-467/1

FROM: Vice President and Secretary

June 11, 1982

BANK/IDA ANNUAL REPORT, 1982

Attached are three copies of a draft for the Bank/IDA Annual Report, 1982, containing:

(1) The introductory section, including highlights of Bank/IDA activities in fiscal 1982, a review of the international economic background;

(2) the section on Bank policies;

(3) the section on "Borrowings and Finance " and the Statistical Annex.

Much of the factual and statistical material in these sections will have to be revised as more complete information becomes available. Meanwhile, if any changes are proposed, it is requested that they be clearly marked on one copy and sent to Mr. Muncie (Room N-231) by the close of business, Wednesday, June 16.

An informal seminar of the Executive Directors to discuss these sections of the Annual Report will be held in the Board Room at 10 a.m. on Friday, June 18.

Distribution:

Executive Directors and Alternates
*President
*Senior Vice Presidents
*Senior Management Council
*Vice Presidents, IFC
*Directors and Department Heads, Bank and IFC

*1 copy each

CHAPTER ONE

THE WORLD BANK: FISCAL 1982, IN BRIEF

In fiscal 1982,[1] lending commitments by the World Bank and by the International Development Association (IDA), together with investment commitments by the International Finance Corporation (IFC), totaled $00,000, up $00 million from the level of the preceding year.[2]

The increase was the result of lending by the Bank -- $10,400 million -- in an amount substantially higher than the previous year's level of $8,809 million. IDA commitments declined by 36.6 percent, the result of a shortfall in IDA commitment authority. IDA lending, at $2,600 million, was $(882) million below the total for fiscal 1981. The financial difficulties faced by the Association during the past year are detailed elsewhere in this chapter. Commitments by the IFC also dropped off -- by some $00 million.

Early in fiscal 1982, agreement had been reached on a lending program for the Bank during the year of $9,600 million. In January 1982, however, as it became clear that IDA would be unable to meet its commitment target of $4,100 million, the Executive Directors of the Bank agreed to a one-time increase in the Bank's lending program of $800

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[1] The fiscal year of the World Bank, as well as of its two affiliates, runs from July 1 to June 30.

[2] Since the real value of loan commitments by the Bank and IDA is eroded to the extent that cost inflation occurs over the period of disbursements, it is the practice of the Bank to make allowances for inflation at the time of commitment. The deflator now used to express lending in real terms is a weighted average of the price levels assumed to be prevailing over the period of the execution of a project. If fiscal 1982 Bank and IDA commitments were to be expressed in terms of 1981 dollars, they would be (00,000).

million to offset, to some extent, the shortfall in IDA commitment authority.

IDA commitments during the year were in support of 93 projects in 00 countries. Comparable figures for the previous year: 103 operations approved in 40 countries.

Bank operations, on the other hand, totaled 151, as compared with 144 in fiscal 1981. Those 151 operations were spread out over 00 borrowing countries.

____________, ____________, and ____________ were the most active Bank borrowers during the year; commitments to them totaled $000 million, $000 million, and $000 million, respectively. The most active borrowers of IDA credits were ____________________, __________________, and ______________, with borrowings of $000 million, $000 million, and $000 million.

World Bank loans and IDA credits helped finance about (35) percent of the cost of projects for which total amounts can be calculated.

Other highlights from fiscal year 1982 include:

-- Disbursements by the Bank and IDA of $8,300 million, up $0,000 million (00 percent) over fiscal 1981 amounts. Bank disbursements were $6,300 million ($5,063 million in fiscal 1981), while disbursements by IDA, at $2,000 million, were $00 million above the previous year's total.

-- A net transfer of resources (disbursements minus repayments of principal, interest, and other charges) of $4,506 million, up $1,(000) million, or 00 percent, over fiscal 1981;

-- An increase over fiscal 1981 of $1,500 million in cofinancing funds in support of Bank-assisted projects. During the year, 38 percent of Bank and IDA projects involved cofinancing, which totaled $5,500 million.

-- A slight decrease, to ($570) million, down from $610 million, in the net income of the Bank;

-- Borrowings of($8,350) million, an increase of $3,(000) million over the fiscal 1981 level, mostly in the capital markets of ________, ____________, and ________________.

Disbursements

Disbursements on Bank loans to member countries in fiscal year 1982 were $0,000 million, an increase of 00 percent over the previous year. For IDA credits, disbursements were $0,000 million equivalent, up 0.0 percent from fiscal 1981. The increase in Bank disbursements is mainly the result of nonproject lending, whose share increased in fiscal 1982 to over (00) percent from 9 percent in the previous fiscal year.

The volume of annual disbursements on project lending is influenced by a variety of factors such as the complexity of projects, economic conditions in the borrower countries, availability of expertise, the size of the undisbursed balances on approved loans and credits, and the sector and age of the undisbursed balances. However, once again in fiscal 1982, agriculture absorbed the highest proportion of Bank disbursements at 24 percent of the total, followed by transportation, power, and industry with 14 percent, 13 percent, and 12 percent, respectively. For IDA, agriculture, at 44 percent of the fiscal 1982 total disbursed, was also the highest sector, followed by power, transportation, and education with 20 percent, 10 percent, and 5 percent, respectively.

Patterns of Lending

Distribution by Income Group. The distribution of Bank and IDA lending in fiscal 1982 by income group reflects the resource constraints that faced IDA during the year.

IDA finance was concentrated in support of the poorest developing countries. Whereas in the five-year period fiscal 1977-81, approximately 81 percent of IDA funds were committed to countries with a per capita GNP of less than $411 (in 1980 dollars), in fiscal 1982, 88 percent of IDA funds went to this group of countries. The remainder was earmarked entirely to countries with a per capita GNP of between $411 and $730.

That the entirety of IDA funds went to countries in these two income categories also reflects the fact of increased lending to sub-Saharan African countries, a major recommendation contained in the Bank's report, Accelerated Development in Sub-Saharan Africa: An Agenda for Action.

The percentage of Bank lending to the poorest countries, at 5.6 of the total for the period fiscal 1977-81, more than doubled in fiscal 1982. This increase was due to the one-time boost of $800 million in the Bank's lending program to help cover, in part, the shortfall in IDA funds; Bank lending to the countries in this category is restricted, however, to those economies that are sufficiently creditworthy to service the increased debt implied by borrowing on Bank terms. India, which borrowed about $1,200 million in Bank funds during the year, is a prime example. Fiscal 1982 also saw an increase in "blend" lending in which Bank and IDA funds were commingled in support of a single project.

Distribution by Sector. Neither the Bank nor IDA places an independent target on lending by sector; the main criterion, rather, is that assistance should be provided where it can be most effective in the context of the country-specific lending programs developed by the Bank in consultation with its borrowers.

In fiscal 1982, agriculture and rural development continued to account for the largest share of Bank and IDA lending; nonetheless, there was a decline -- from 31 percent of the total in fiscal 1981 to (24) percent in fiscal 1982. The relative drop was the result of several factors; a decrease in the availability of IDA funds -- which had its major impact on lower-income countries, where agricultural lending has been of greatest importance; an increase in lending for structural adjustment, which, because it is directed largely at improving policy framework, has led to a postponement, in some countries, in plans for direct project lending in agriculture; and a natural leveling off of investments after many years of sharp increases.

Energy lending amounted to about 25 percent of total Bank and IDA lending commitments in fiscal 1982; in the previous year such lending accounted for 19 percent of the total. Nonproject assistance, including lending for structural adjustment, accounted for 10 percent of commitments, up two percentage points over the previous year.

Cofinancing of Bank Projects

In light of the current economic environment and the resource constraints facing both the Bank and IDA, there is an even greater need to ensure that Bank lending helps to stimulate external flows of capital to developing countries. Accordingly, the Bank took a number of steps during the past year to expand opportunities for cofinancing.

In fiscal 1982, the total volume of cofinancing reached $5,500 million; 92 of the 244 operations approved by the Bank's Executive Directors, or 38 percent of the total, involved cofinancing. This was an increase of about $1,500 million over fiscal 1981 totals.

The three sources of cofinancing are official aid agencies, export credit institutions, and commercial banks.

Official Aid Agencies. Historically, bilateral and multilateral official aid agencies have been the major contributors to World Bank cofinancing. In fiscal 1982, the agencies from the industrialized countries and OPEC nations provided $1,900 million for seventy Bank and IDA projects, or 35 percent of total funds provided through cofinancing.

The Bank also engages in aid-coordination activities that are not immediately related to promoting the cofinancing of particular projects, but which, nonetheless, provide a backdrop to assist an indirect flow of cofinancing funds. These activities include participation in the meetings of aid-coordinating groups for a particular country[3] and consultative meetings on cofinancing and cooperation that the Bank holds regularly with various donor governments and their aid agencies and with other multilateral institutions.

In fiscal 1982, steps were taken to strengthen the role of the Bank as a partner in the development effort. For example, consultations were held with several aid agencies to ensure that appropriate procedures for cooperation are working effectively. In addition, discussions were held with two governments on the preparation of general framework agreements for cooperation under which increased cofinancing funds would be made available to the Bank. Further, a preliminary memorandum of understanding was signed late in the fiscal year by the Bank and the Nordic Investment Bank that is to provide cofinancing funds for a period of two years for World Bank projects.

However, indications are that in the current period of economic uncertainty, levels of development assistance from industrialized countries are not likely to rise in real terms. It might, therefore, be difficult to realize an expansion of cofinancing with official aid agencies over the next few years.

Export Credit Institutions. Export credits have been an important source of cofinancing, particularly for capital-intensive projects in the energy, industrial, public utilities, and transportation sectors.

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[3] The Bank participated in thirteen such meetings during the year, twelve of which were chaired by the Bank. The twelve meetings were for Bangladesh, the Caribbean Group for Cooperation in Economic Development, Colombia, India, Kenya, Madagascar, Nepal, Pakistan, the Philippines, Sri Lanka, Uganda, and Zaire. The thirteenth meeting, sponsored by the Netherlands, was for Indonesia.

In fiscal 1982, $1,600 million in funds from export credits was distributed among twenty Bank operations.

In order to increase the awareness of export-credit opportunities, information is now being sent regularly by the Bank to export-finance institutions on projects suitable for export credits. Furthermore, discussions are being held to explore whether the procedures and objectives of bilateral export-finance agencies can be better matched with Bank procedures and procedures of international competitive bidding.

Private Financial Institutions. One of the most dramatic changes in development finance over the past decade has been the expansion of commercial bank lending to developing countries. During that same period, commercial bank cofinancing of World Bank projects increased from about $200 million to about $1,700 million; this total amounts, however, to only 1 percent of all commercial bank lending to developing countries. Nonetheless, the rate of growth in the volume and number of cofinancing operations with the Bank is significant. Cofinancing with private financial institutions has become the single most important source of cofinancing, and in fiscal 1982, commercial banks contributed $2,000 million in project financing for twenty-two Bank operations.

Of the three sources of cofinancing, private financial institutions provide the greatest potential for expansion. In addition to expanding promotional activities and strengthening channels of communication with the private sector, the Bank is currently exploring the possibility of establishing new instruments for private cofinancing that would supplement the existing cofinancing program. These new techniques, for which approval will be sought from the Executive Directors in early fiscal 1983, would be designed to provide more tangible benefits to borrowers, to provide colenders with a closer association with the Bank, and to strengthen the Bank's ability to facilitate the flow of additional capital to its borrowers on appropriate terms.

As part of an active campaign to exploit the potential for this type of cofinancing, the Bank hosted two briefing sessions during the past year in Washington for representatives of US banks and US representatives of banks headquartered outside the US. The purpose of the sessions was to familiarize commercial bankers with the operations of the World Bank and to elicit views from them on ways in which joint efforts between the Bank and private commercial banks can be improved and increased.

IDA

The Resolution authorizing the Sixth Replenishment of IDA provides for funding from donors' contributions of an amount equivalent to $12,000 million (at October 1979 exchange rates) over the three-year period, fiscal 1981-83. The Sixth Replenishment became effective on August 24, 1981, upon receipt of the United States' formal notification of participation with a total contribution of $3,240 million. This notification meant that at least twelve Part I (or developed country) members had deposited with the Association Instruments of Commitment and Qualified Instruments of Commitment totaling $9,600 million (or 80 percent of the total).

Prior to the effectiveness of the Sixth Replenishment, IDA had made credit commitments against advance contributions, amounting to about $2,500 million equivalent, that had been provided by twenty-four countries. Upon effectiveness and the termination of these advance contributions, IDA faced a hiatus in its commitment authority. This hiatus resulted from a combination of two factors: (a) the decision taken by the United States to limit the size of its first installment (for fiscal 1981) and (b) the pro-rata provisions in the Sixth Replenishment Resolution that allow IDA to commit resources from other donors only in the same proportion as unqualified commitments from the United States. The reduced size of the United States' first payment made in August 1981, of $500 million instead of the originally expected $1,080 million, triggered these pro-rata provisions. The practical effect was that at the time the Sixth Replenishment became effective, even after receipt of the United States' first payment, the Association had exhausted its commitment authority, and credits approved by its Executive Directors, amounting to some $800 million equivalent, could not be signed.

A meeting of IDA Deputies held on September 27 and 28, 1981 reviewed the situation that had resulted. In view of the serious implications for the world's poorest countries of interruptions and reductions in IDA's commitment authority, an agreement was reached that the importance of proportionate burden-sharing between donor countries notwithstanding, the pro-rata rule would be waived in respect of the first installment, but would apply with respect to the commitment on credits of donors' second and third installments. Several donors agreed to go beyond this arrangement, and released their second installments in full.
These "modified" pro-rata arrangements came into effect on January 19, 1982, when the United States paid to IDA a second installment, amounting to $700 million or 21.6 percent of its total contribution.

Under the agreed arrangements, IDA thus had available an amount of SDR 2.2 billion (or about US$2,600 million equivalent) as commitment authority for fiscal 1982. This amount was about 37 percent lower (in dollar terms) than the operational program approved by the Board of Executive Directors for that year of SDR 3.13 billion ($4,100 million). The impact of this reduction was reviewed by the Executive Directors on January 26, 1982, and means of alleviating its effects to the extent possible through partial substitution of Bank lending, coupled with programmed cofinancing with bilateral aid agencies to supplement the Association's own resources, were agreed.

The impact that curtailments of this magnitude would have on the IDA operational program in fiscal 1982, coupled with the prospect of a further substantial reduction in commitment authority for fiscal 1983 resulted in the IDA Deputies meeting again on April 5 and 6, 1982.At that meeting a large number of countries indicated that they would either join the others who had released their second installments in full, or find some other way of providing more than their pro-rata share in fiscal 1982.

At the April 1982 meeting, the Deputies also expressed concern that any actions they took to alleviate the IDA crisis in fiscal 1982 and fiscal 1983 would also have implications for commitment authority through fiscal 1984. Various approaches were put forward that aimed at supplementing IDA's resource availability in fiscal years 1983 and 1984, among the more prominent of which were (a) a "relaxed" pro-rata scheme that would go beyond the arrangements agreed by Deputies in September 1981, combined with additional contributions by donors in fiscal 1984 and (b) a Special Fund that would operate separately from, but parallel to, the arrangements made under the Sixth Replenishment. Subsequent discussions on these options resulted in agreement to schedule the next meeting of IDA Deputies for July 5 and 6, 1982, at which time Deputies are scheduled to review the courses of action to be taken.

During the past fiscal year, questions were also raised relating to the start-up of the Seventh Replenishment, and preliminary work was carried out on different ways of mobilizing additional resources for IDA. The Development Committee, at its meeting in Helsinki on May 13 and 14, agreed that discussions should proceed apace so that the Seventh Replenishment could begin at the earliest possible time.

Bank Management and Staff

At June 30, 1982, total staff of the Bank numbered 0,000. Of these, 0,000 were higher-level staff representing 000 nationalities. Efforts to increase the proportion of staff from underrepresented member countries and the number of women in the Bank continued as in previous years.

In July 1981, a Managing Committee was established by the President of the Bank to provide overall guidance for, and management of, the Bank, followed by the establishment of three subcommittees: Finance, Operations Policy, and Personnel and Administration.

The Bank's economic analysis, research, and policy activities, and its Central Projects staff were reorganized in order to redeploy the Bank's resources towards its highest-priority needs. The aim was to improve the quality and increase the scope of the Bank's country economic and sector work and to enable the Bank to provide expanded technical assistance and policy advice to member countries, particularly those in sub-Saharan Africa.

In May 1982, Anne Kruger was appointed Vice President, Economic and Research, to succeed Hollis B. Chenery, who will leave his position on August 31, 1982. Before her appointment, the Bank's first woman vice president was Professor of Economics at the University of Minnesota (USA).

Faced with IDA funding problems, the Bank made a conscious decision to limit staff growth, although highly specialized technical skills were still in demand. Recruitment of Young Professionals during fiscal 1982 was curtailed, with 00 selected, compared with 00 in the previous fiscal year.

In line with its goal of making optimum use of its human resources, the Bank placed increased emphasis during the past year on the responsibility of line managers for personnel-management functions, for example, in performance planning and appraisal, rewards, promotion, training-needs assessment, and separation. In support of this philosophy, the Bank's Personnel Management Department has concentrated on providing the policies and tools managers need to carry out their personnel responsibilities. Among these are a revised performance appraisal and rewards system and the development of a Human Resources Information System that will be implemented in fiscal 1983.

Other developments affecting staff were the appointment of an Ombudsman in December 1981 and the introduction of an Attitude Survey in March 1982.

During the year, efforts were made to strengthen internal communications and external information approaches to secure broader understanding of the Bank's policies and activities. These efforts will be further strengthened in fiscal 1983. At the same time, a new Publications Department was established, whose mandate includes the development of new approaches to disseminate worldwide the experience and products of the Bank's work and research.

Robert S. McNamara Fellowships

Commemorating the contribution of Robert S. McNamara, President of the World Bank from 1968 to 1981, to the cause of economic development, the Executive Directors of the Bank agreed to establish a program of fellowships for full-time study of reasearch at the postgraduate level in fields related to economic development.

The fellowships will be awarded annually and will be financed out of the income of an endowment, toward which the Bank contributed $1 million from its administrative budget for fiscal 1982. By June 30, 1982, _____ member country governments had pledged ($0.0) million in donations for the endowment fund: _________($000,000), ________($000,000), ___________ ($000,000), and _______($000,000).

Fellowship applications are to be received and screened by the Economic Development Institute, and the final selection will be made by a panel appointed by the Executive Directors on the recommendation of the management of the Bank.

Membership

Bhutan and Vanuatu joined the Bank and IDA on September 28, 1981, the United Arab Emirates became a member of IDA on December 23, 1981, and Belize joined the Bank and IDA on March 19, 1982, bringing the total membership of the Bank to 142 and of IDA to 129.

At the end of the year, action was pending on membership in the Bank for Antigua and Barbuda, Hungary, and St. Vincent and the Grenadines.

IFC

The International Finance Corporation (IFC) is the World Bank affiliate established to further economic development by encouraging the growth of productive private enterprises. In addition to providing and helping raise loan and equity capital, the Corporation works to strengthen the confidence of investors and promote investment opportunities in the developing world. It uses its own resources to assist investors to assemble the necessary financing, technology, and management needed for the establishment of productive enterprises.

Throughout the period covered by this Annual Report, the investment climate in the developing countries continued to deteriorate. Nevertheless, the Corporation was able to increase further its activities, maintain its net income, and increase the number of ventures undertaken from fifty-six the previous year to sixty-four. However, total dollar volume of approved investments was down from the previous year's $810.7 million. Operating income was up $00.0 million over the previous year to $00.0 million, and net income of $00.0 million was marginally higher (lower).

The average size of projects approved dropped from $00.0 million in the previous year to about $00.0 million. The average size of syndications also declined, so that while the number of placements was about the same, the amount raised from this source declined to $000.0 million.

IFC's investment portfolio remains sound and is well diversified in terms of both industry and country. The Reserve Against Losses at year-end totaled $00.0 million and is considered adequate.

Disbursements were $000.0 million, which was about the same as the previous year. Of this, $000.0 million was for loans, including amounts disbursed for participants in IFC loans, and $00.0 million was for equity. Repayments and sales were $000.0 million so that net disbursements equaled $000.0 million.

At the end of the fiscal year, the Corporation's investment portfolio (including undisbursed balances) held for its own account was $00.0 million, up $000.0 million from the previous year. In addition, $000.0 million was being held and administered for participants in IFC financing.

Projects approved by the Board were located in thirty-two countries. In seven of these (Cyprus, Gabon, Mali, Nepal, Niger, Sudan, and Tunisia), the Corporation either had not undertaken investments during the previous three years or it did so for the first time.

Roughly half of the investments were in countries with a per capita GNP of less than $681 per year. Eighteen of the investments were in Africa, sixteen in Asia, twenty-three in Latin America and the Caribbean, and seven in the Middle East and Europe.

The terminal date for subscriptions and payments to the capital increase approved by the Board of Governors in November 1977 is August 1, 1982. By the end of the fiscal year, 000 of the 109 countries allocated shares had subscribed to 000,000 ($000.0 million) of the 000,000 allocated shares. Payments of $000.0 million were received during the year, bringing the total paid-in capital to $000.0 million.

Borrowings contracted during the year totaled $000.0 million, of which about $000.0 million was drawn down. All borrowings were contracted with the International Bank for Reconstruction and Development (World Bank) at a rate that ranged between 00.0 percent and 00.0 percent. In line with the recent policy change to provide funds in other than US dollars, $000.0 million equivalent was taken in Swiss francs, Deutsche mark, and Japanese yen.

Belize, St. Lucia, and Vanuatu took up membership in IFC during the year, bringing the total membership to 122.

ICSID

By June 30, 1982, eighty-seven States had signed the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States, and eighty-one States had deposited their instruments of ratification.

The Annual Report of the International Centre for Settlement of Investment Disputes (ICSID) provides details of its membership and activities.

CHAPTER TWO

THE ECONOMIC SCENE: A GLOBAL PERSPECTIVE

In the face of a second consecutive year of lackluster growth in the industrial countries, many developing countries were not able to sustain their economic expansion of 1980; although some countries continued to grow quite rapidly -- exporters of manufactures, capital-surplus oil exporters, and those able to make rapid adjustments to the current economic climate -- the overall economic performance of thedeveloping countries was poor. The year 1982 is unlikely to be very different.

Amid the uncertainty of the current economic environment, the dangers of further recession and decline seem serious; there are, however, reasons also for optimism. The resilience of many developing countries in the face of a depressed external environment has been impressive. The industrial countries realize that they must control inflation if they are to return to a stronger path of growth. There is, thus, the prospect of some softening later in 1982 of current high interest rates. There appears to be an increased recognition by policy makers in the industrial countries that national economic prosperity is linked to liberal trade and unimpeded capital flows, though protectionism continues to threaten in the face of record levels of unemployment.

Growth, Inflation, and Interest Rates in Industrial Countries[1]

For a second consecutive year, the gross domestic product (GDP) of the industrial countries experienced markedly slow real growth.

[1] Australia, Austria, Belgium, Canada, Finland, France, Germany (Federal Republic of), Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

Recovery in Canada and some gains early in the year in the United States were offset by a severe recession in Europe; Germany, the United Kingdom, Belgium, and the Netherlands experienced actual declines in real GDP. Japan grew at a significantly higher rate than the other industrial countries; nevertheless, the rate of its economic expansion was below that of 1980, itself a year of slowed growth for Japan.

Policies in the United States to control the growth in money supply led to high and volatile interest rates and an appreciation of the dollar, which, in 1981, gained 10 percent against the special drawing right (SDR). In response, some European governments raised domestic interest rates to protect the value of their currencies. This, in turn, hampered their recovery from recession.

Preliminary data for 1982 point towards a possible decline in real GDP in the United States, at best only moderate recovery in Europe, and about the same rate of growth in Japan as in 1981. Thus, for the industrial countries as a group, 1982 is likely to be the third consecutive year of very low growth. This would make 1980-82 the period of most prolonged economic slowdown since the 1930s.

The social cost of these developments has been severe. Restrictive fiscal and monetary policies adopted to counter inflation have badly hurt such basic sectors as housing, consumer durables, and automobile manufacturing. Unemployment has reached peak levels in many industrial countries, including Belgium, France, Germany, the United Kingdom, and the United states. The effects of the resulting fall in demand have been felt in the economies of the developing countries.

The adjustment policies now being followed may, however, lay the foundations for higher growth for the rest of the 1980s. Governments of industrial countries are in substantial agreement that if they are to revive their economies, inflation must be controlled. Although they may not agree on the appropriate mix of fiscal, monetary, and income policies to be followed, the objectives of those policies are similar. Government measures have been aided by the public response. Wage settlements have indicated a greater flexibility on the part of labor in moderating demands for increases in wages; this attitude is facilitating the dampening of inflation. Although the average inflation rate of the industrial countries, as measured by their GDP deflator, declined only slightly in 1981, there was a noteworthy drop in countries experiencing particularly high rates of inflation such as Italy and the United Kingdom. A widespread decline in inflation -- primarily the result of high interest rates worldwide, with the notable exception of Japan, restrictive monetary policies in the US, serious attempts at reducing budget deficits in Europe, declining commodity prices, and a softer oil market -- now appears likely in most of the industrial countries in 1982.

Growth in the Developing Countries

The real growth in the aggregate gross national product (GNP) of the developing countries suffered a setback in 1981, dropping to 2.2 percent from the 5.0 percent level in 1980. The impact of the recession on their export earnings, as well as the effect of high interest rates on their debt burden and hence on their capacity to borrow further,

Table 1: Real Growth and Inflation in the Industrial Countries, 1970-1981

(Percentage change per year)

	1970-80	1979	1980	1981 /a
Real GDP				
Canada	4.0	3.2	0.0	3.0
France	3.7	3.5	1.2	0.5
Germany (Federal Republic of)	2.8	4.5	1.8	-0.3
Italy	3.1	4.9	4.0	-0.8
Japan	4.9	5.5	4.2	2.9
United Kingdom	1.9	1.4	-1.8	-1.9
United States	3.0	2.8	-0.2	2.0
Industrial countries /b	3.3	3.4	1.3	1.1
GDP Deflator				
Canada	8.8	10.4	10.6	10.0
France	9.4	10.2	11.5	12.0
Germany (Federal Republic of)	5.3	3.8	4.8	4.3
Italy	14.7	15.7	20.4	15.8
Japan	7.0	2.5	3.2	2.8
United Kingdom	13.8	14.9	18.9	11.9
United States	7.0	8.5	8.9	9.2
Industrial countries /b	8.0	7.7	8.7	8.5

/a Preliminary.
/b The weights are the US$ GDP of each country divided by the total US$ GDP for the industrial countries. See footnote 1 page... for country coverage.

Source: World Bank and OECD.

undermined their ability to sustain earlier production.

Growth experience, however, varied considerably among regions and countries. The countries of East Asia and the Pacific continued to demonstrate the inherent vitality of their economies. After some weakening in 1980, when growth was negative, Korea bounced back in 1981 with a growth rate of 7.1 percent. A fractional slide in the overall growth rate for the region resulted mainly from the reduced expansion in 1981 in the net material product of China. South Asia, while not maintaining its impressive 6.6 percent achievement of 1980, a year of very good harvests, grew at a healthy 5.9 percent. Recent policy changes -- including, notably, the liberalization of certain imports and exports in India -- were instrumental in offsetting the negative impact of relatively poor harvests. Almost all countries in these two regions shared in the experience of growth.

The weakening of the economies in Latin America and the Caribbean, and North Africa and the Middle East was so extensive that per capita incomes in both regions declined. Most countries in the Latin American region did quite poorly. For example, Argentina, Bolivia, Brazil, Ecuador, and El Salvador experienced negative growth. Mexico, helped by a significant expansion in its exports of oil, was the only major country which attained an impressive growth rate (7.5 percent).

In North Africa and the Middle East, a significant drop in GNP was recorded by Libya; this was also the case with Iran and Iraq, which are not included in the data for lack of information.

Percapita incomes in Africa, south of the Sahara, also declined; there has either been no growth or declining incomes in this region in every year since 1977. Several countries -- Ghana, Nigeria, Senegal, Tanzania, and Zambia, to name a few -- experienced zero to negative growth. Nigeria was hit in the course of an ambitious five-year plan by declining oil revenues in 1981.

The combined statistical influence of the three regions experiencing declines in percapita income was such that the growth in per capita GNP for all developing countries was a mere 0.2 percent.

Current-Account Balances[2] and Their Financing

Major changes have taken place in the pattern of global payments during the past twelve months. In 1980, the oil-importing developing countries and the industrial countries ran a combined current-account deficit of nearly $115 billion; that amount was counterbalanced by the large surpluses of the high-income oil exporters.[3] In 1981, the industrial countries moved to near balance, as compared with a deficit of about $45 billion in 1980. The opposite happened in the oil-exporting developing countries;[4] they moved from a balance on current account in 1980 to a deficit of about $22 billion in 1981. The deficit of the oil-importing developing countries -- particularly middle-income ones -- continued to increase. However, there was a

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[2] Excluding official transfers.

[3] Iraq, Kuwait, Libya, Qatar, Saudi Arabia, and the United Arab Emirates.

[4] Algeria, Angola, Bahrain, Brunei, Congo, Ecuador, Egypt, Gabon, Indonesia, Iran, Malaysia, Mexico, Nigeria, Oman, Peru, Syria, Trinidad and Tobago, Tunisia, and Venezuela.

Table 2: Real Growth of GNP and GNP Per Capita in the Developing and Industrial Countries, 1960-1981

(Percentage change per year)

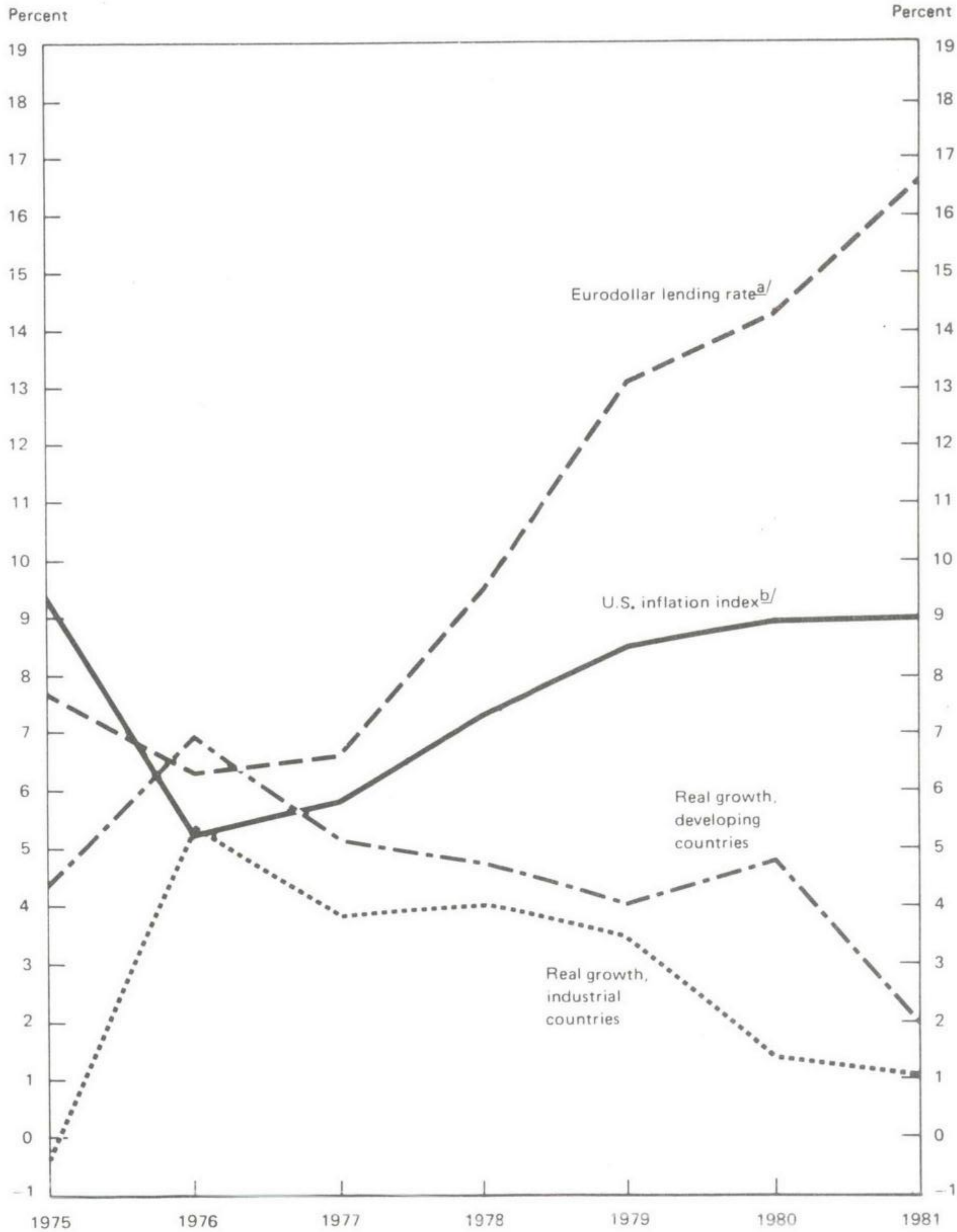
	GNP					GNP per Capita				
	1960-70	1970-80	1979	1980	1981 /a	1960-70	1970-80	1979	1980	1981 /a
All Developing Regions /b	5.9	5.6	4.3	5.0	2.0	3.4	3.3	1.9	2.6	-0.4
Africa south of the Sahara	4.5	3.7	2.8	3.4	2.0	2.0	1.0	0.0	0.5	-1.1
East Asia and Pacific	6.8	6.9	6.5	4.9	7.0	4.3	4.9	4.2	2.6	4.8
Latin America and the Caribbean	5.7	5.5	5.6	5.9	1.2	2.9	3.0	3.3	3.6	-0.9
North Africa and the Middle East /c	8.6	8.1	6.2	4.5	-2.4	5.9	5.1	3.0	1.4	-5.3
South Asia	3.9	3.5	-1.9	7.1	5.9	1.5	1.2	-4.0	4.8	3.5
More advanced Mediterranean countries	6.7	5.1	2.5	3.5	2.6	5.0	3.3	0.7	1.9	1.1
Industrial countries /d	5.1	3.3	3.4	1.3	1.1	4.0	2.5	2.8	0.7	0.6

/a Preliminary.
/b For country coverage, see General Notes to Annex Tables and footnote to Statistical Annex Table 1. Note that the developing-country oil exporters, as well as the six capital-surplus oil exporters, are included.
/c Excludes Iran and Iraq, which are also excluded from totals.
/d For country coverage, see text footnote 1. The growth rates for the industrial countries refer to GDP rather than GNP. GNP equals GDP less net factor income from abroad.

Source: World Bank.

Global 8

Comparison: Real Growth, Lending Rates, and Inflation



a/ Six-month LIBOR (London Interbank Offered Rate), annual average.
b/ Annual change in US GDP deflator.

significant improvement in the balance of the industrial countries, whereas, the surplus of the high-income oil exporters fell from $103 billion to about $75 billion. However, precise conclusions cannot be drawn in view of the unduly large statistical discrepancy for 1981 data.[5]

Factors contributing to these changes in the current-account balances include: (a) the reduced oil and nonoil imports of the industrial countries; (b) the slower rate of growth of oil prices in dollars; (c) the decline in the dollar prices of primary commodities; and (d) significantly higher interest payments. The combined effect of these factors has been adverse for the devloping countries.

The interest payments made in 1981 by the oil-importing developing countries increased by $10 billion over 1980 amounts. Although inflation in the industrial countries eased in the last months of 1981, nominal interest rates remained high and real interest rates rose further. The slowdown in the rise of nominal oil prices was a mitigating factor for the oil-importing developing countries; any resulting benefits were diluted, however, for those countries the dollar price of whose exports fell. Because the price of oil is fixed in dollars, and because the dollar appreciated by 10 percent against the SDR and much more against most national currencies in 1981, countries with currencies not appreciating with the US dollar had to pay a higher cost in their own currencies than that suggested by the nominal dollar price for oil.

The recent trends in current-account balances are likely to

[5] Recent increases in the deficit of the global current-account balance may have been the result, in large part, of an underreporting of the receipts of industrial and OPEC countries, primarily on investment income, freight and insurance charges (including payments to flag-of-convenience carriers), travel, and other services.

continue in 1982. The industrial countries, having moved from a deficit in 1980 to balance in 1981, are likely to run a sizable current-account surplus in 1982. The large surplus of the high-income oil exporters that was reduced in 1981 is likely to be reduced further in 1982 as recession holds down real oil prices. The already high deficit of the developing countries may increase further if the dampening of the volume of their exports and prices of primary commodities continues. The underlying factors are essentially the same as those in 1981.

To finance their rising deficits, many developing countries -- for example, Argentina, Bangladesh, India, Ivory Coast, and Kenya -- have drawn down their reserves. Private direct foreign investment increased by $3.5 billion, or 35 percent, over 1980 levels. An 8 percent rise in official transfers also helped the developing countries to sustain high deficits. Despite these measures, net disbursements on medium-term and long-term loans rose strongly in 1981, from $56 billion to $70 billion. Their use of Eurocurrency credits recovered to $45 billion as compared with $35 billion in 1980, a year in which developing countries as a group had cut back on their Eurocurrency borrowing. Such borrowers as Brazil, Chile, Korea, Malaysia, Mexico, Nigeria, Peru, and Venezuela sharply increased their use of publicized Eurocurrency credits in comparison with 1980. Brazil, Mexico, and Venezuela alone accounted for 46 percent of all such credits going to developing countries in 1981. Costly though it is, the rapid expansion in lending by private banks in recent years has introduced an element of flexibility for the developing countries in their balance-of-payments management. Of the various forms of private foreign capital, only financial credits, mainly through syndicated loans, and bonds are untied and can be used to refinance service payments on debt.

External Debt

The developing countries' medium-term and long-term disbursed external debt [6] grew by 14 percent in 1980 and by an estimated 16 percent in 1981, reaching $465 billion by end-1981 in current dollar terms. These growth rates are well below the 22 percent annual average for the decade of the 1970s, when debt rose from $60 billion in 1970 to $351 billion in 1979.

Medium-term and long-term borrowing, as measured by commitments, dropped in 1980, and disbursements showed no changes despite the large rise in the combined current-account deficit of the developing economies. Towards the end of 1980, however, this slowdown began to reverse itself and a more rapid pace of borrowing occurred throughout the following year. Commitments and disbursements rose by 21 percent and 25 percent respectively, in 1981. However, the growth in debt was slowed by the 23 percent surge in amortization that reached $51 billion.

Details on the composition of debt are not yet available for 1981, but preliminary information suggests that there was a resumption of rapid borrowing in private markets in 1981, stemming in part from the consolidation of some short-term debt. Thus, the long-run shift towards borrowing from private sources resumed after a break in 1980. Debt owed to private financial institutions rose from 23 percent of total debt in 1970 to 50 percent in 1980. In contrast, the share of official sources in debt dropped from 57 percent in 1970 to 39 percent in 1980.

[6] The data do not include all developing countries; see General Notes to Annex Tables for country coverage. Note that the discussion here includes estimates of nonguaranteed debt of the private sector; the Annex includes only public and publicly guaranteed disbursed debt. Therefore, the figures quoted here are not the same as those in the Annex Tables, although the country coverage is identical.

Table 3: Current-Account Balances /a

(US$ billions)

	1975	1976	1977	1978	1979	1980	1981 /b
Industrial countries	17.8	- 2.6	- 5.6	30.1	-10.3	- 44.7	- 3.9
High-income oil exporters	31.0	36.5	33.0	18.8	57.3	103.0	75.0
Developing countries	-35.9	-20.2	-25.2	-45.4	-41.8	- 70.4	-104.4
Oil importers	-33.4	-19.9	-19.7	-27.8	-46.9	- 70.2	- 82.3
Low income	- 4.3	0.2	- 0.6	- 5.5	- 8.7	- 13.9	- 15.5
Middle income	-29.1	-20.1	-19.1	-22.3	-38.2	- 56.3	- 66.8
Oil exporters	- 2.5	- 0.3	- 5.5	-17.6	5.1	- 0.2	- 22.1
Centrally planned economies /c	- 8.1	- 6.1	- 2.1	0.2	0.4	1.7	- 0.4
Total (Statistical discrepancy)	4.8	7.6	0.1	3.7	5.6	- 10.4	- 33.7

/a Excluding official transfers.
/b Preliminary.
/c European and Asian centrally planned economies.

Source: International Monetary Fund.

Table 4a: Current-Account Financing of All Developing Countries, 1978-1981

(US$ billions)

	1978	1979	1980	1981 /a
Current-account balance (excluding official transfers)	-45.4	-41.8	-70.4	-104.4
Official transfers	6.2	10.1	11.2	12.1
Private direct foreign investment, net flows	6.5	8.3	9.9	13.4
Medium-term and long-term loans, net disbursements	52.3	55.9	56.1	69.5
Official	13.6	17.5	22.4	25.1
Private	38.7	38.4	33.7	44.4
Other capital, net flows /b	- 8.5	-13.1	- 0.6	- 2.7
Change in reserves /c	-11.3	-19.4	- 6.2	12.1

NOTE: Details may not add to totals because of rounding.

/a Preliminary.
/b Net short-term flows and errors and omissions.
/c Minus sign indicates reserve accumulation.

Source: World Bank estimates.

Table 4b: Current-Account Financing of Oil-Importing Developing Countries, 1978-1981
(US$ billions)

	1978	1979	1980	1981 /a
Current-account balance (excluding official transfers)	-27.8	-46.9	-70.2	-82.3
Official transfers	5.0	8.0	9.2	10.0
Private direct foreign investment, net flows	4.1	5.0	6.4	8.0
Medium-term and long-term loans, net disbursements	33.7	39.6	40.7	49.5
Official	9.5	14.2	17.7	19.1
Private	24.2	25.4	23.0	30.4
Other capital, net flows /b	0.3	0.4	9.8	5.4
Change in reserves /c	-15.4	- 6.1	4.1	9.4

NOTE: Details may not add to totals because of rounding.

/a Preliminary.
/b Net short-term flows and errors and omissions.
/c Minus sign indicates reserve accumulation.

Source: World Bank estimates.

Table 4c: Current-Account Financing of Oil-Exporting Developing Countries, 1978-1981

(US$ billions)

	1978	1979	1980	1981 /a
Current-account balance (excluding official transfers)	-17.6	5.1	- 0.2	-22.1
Official transfers	1.3	2.1	2.0	2.1
Private direct foreign investment, net flows	2.4	3.3	3.5	5.4
Medium-term and long-term loans, net disbursements	18.7	16.3	15.4	20.0
Official	4.1	3.3	4.7	6.0
Private	14.6	13.0	10.7	14.0
Other capital, net flows /b	- 8.8	-13.5	-10.4	- 8.1
Change in reserves /c	4.1	-13.3	-10.3	2.7

NOTE: Details may not add to totals because of rounding.

/a Preliminary.
/b Net short-term flows and errors and omissions.
/c Minus sign indicates reserve accumulation.

Source: World Bank estimates.

Debt owed to private financial institutions rose from 23 percent of total debt in 1970 to 50 percent in 1980. In contrast, the share of official sources in debt dropped from 57 percent in 1970 to 39 percent in 1980. Similarly, the proportion of debt on concessional terms[7] declined from 41 percent to 25 percent. Multilateral agencies accounted for an increasing share of debt from official sources; thus, the drop in the share of bilateral assistance in the total was even sharper.

Rising interest rates and heavy reliance on private markets have increased the cost of borrowings. Some 70 percent of the public debt owed to private creditors now carries variable interest rates. These rates have risen rapidly in recent years. For example, the six-month London Interbank Offered Rate (LIBOR) for US dollars, jumped from an average of 6.5 percent in 1977 to an average of 14.3 percent in 1980 and 16.6 percent in 1981; in the first quarter of 1982, however, the rate was slightly slower, at 15.3 percent. In addition, average spreads (the premium charged over the floating-rate base to cover costs and risks of intermediation) on Eurocurrency credits in 1981 to public-sector borrowers rose by about 0.4 percent for developing countries as a group.

Interest payments -- at $31 billion in 1980 -- doubled between 1978 and 1980. Estimates indicate that interest payments grew by almost 60 percent in 1981, to $48 billion. Total debt service (amortization plus interest) reached some $99 billion in 1981, over a third more than in 1980.

One consequence of the rapid growth in debt service -- particularly

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[7] A loan is concessional if its grant element is at least 25 percent. (See General Note to Annex Table 7 for a definition of grant element.)

in interest payments -- has been that in recent years an ever larger proportion of new borrowing has been used to service outstanding debt. From a peak of $34 billion in 1978, net transfers -- that is, that which remains of gross disbursements after the payment of debt service -- fell to an estimated $18 billion in 1981. For example, Latin America, the largest debtor region, experienced a more than doubling of interest payments and a decline in disbursements on public debt between 1978 and 1980, with the result that net transfers, also known as net resource flows, dropped from $12.9 billion to $0.6 billion.

The changes in the structure of the developing countries' debt contrast with the stability of its distribution. Since 1973, almost two-thirds of debt and debt service has been owed by the same twelve major borrowers, each now with a debt exceeding $12 billion. Five of these debtors are oil exporters -- Algeria, Egypt, Indonesia, Mexico, and Venezuela. The other seven -- Argentina, Brazil, India, Israel, Korea, Turkey, and Yugoslavia -- are major exporters of manufactures.

Most of the debt of the developing countries ($349 billion out of a total of $401 billion in 1980) was owed by the middle-income countries. Some 70 percent of their debt was from private sources.

In contrast, 87 percent of the debt of the low-income countries was from official lenders; of the net transfers of $5 billion to these countries that year, official sources of finance provided 88 percent. Whereas overall commitments to them increased by 55 percent in 1980 to $13.5 billion, those by multilateral institutions almost doubled (to $6.4 billion).

The high proportion of official lending in the total debt of low-income countries has helped them meet their debt-service obligations during the difficult international economic situation of the past two years. Such loans carry relatively favorable terms but some countries have had difficulty in managing their debt.

An increasing number of developing countries with debt-servicing difficulties have renegotiated their debt in multilateral meetings, usually arranged through the Paris Club.[8] In 1980, three countries -- Liberia, Sierra Leone, and Turkey -- had multilateral reschedulings. In 1981, eight countries -- the Central African Republic, Liberia, Madagascar, Pakistan, Senegal, Togo, Uganda, and Zaire -- rescheduled their debt through such multilateral negotiations; Sudan rescheduled in 1982. In addition, three countries -- Bolivia, Jamaica, and Sudan -- reached rescheduling agreements with the commercial banks in 1981, as did three -- Nicaragua, Yugoslavia, and Zaire -- in 1980. However, the total debt rescheduled was not large -- an estimated $2.7 billion for all eleven renegotiations in 1981. Although some of the negotiations were protracted, they generally proceeded smoothly.

Because in most Paris Club agreements maturities for a period of only twelve to eighteen months ahead are rescheduled, some of these countries may need further debt relief. The existing rescheduling procedures, designed to restore creditworthiness to economies with

[8] The Paris Club is the name given to the <u>ad hoc</u> meetings of Western creditor governments that, since 1956, have arranged, when necessary, for the renegotiation of creditor-guaranteed export credits. Since then, it has handled the majority of renegotiations of official and officially guaranteed debt. More than a dozen debtor countries have been involved through the years.

Table 5: Medium-term and Long-term Public and Private Debt of the Developing Countries, 1970-1981

(US$ billions)

	1970	1975	1978	1979	1980	1981 /a
Disbursed debt outstanding, end-year	59.7	160.0	299.1	351.1	401.3	465.0
Official sources	34.0	72.2	119.7	135.2	155.1	
Private sources	25.7	87.8	179.4	215.9	246.2	
Commitments	15.8	56.0	96.6	110.3	103.2	125.0
Official sources	7.2	21.2	29.4	31.6	38.7	
Private sources	8.6	34.8	67.2	78.7	64.5	
Gross disbursements	12.8	44.6	82.2	93.1	93.3	117.0
Official sources	5.3	15.1	19.1	21.5	27.9	
Private sources	7.5	29.5	63.1	71.6	65.4	
Amortization	5.1	14.8	32.8	40.6	41.3	51.0
Official sources	1.5	3.0	4.6	6.1	7.2	
Private sources	3.6	11.8	28.2	34.5	34.1	
Net disbursements /b	7.7	29.8	49.4	52.5	52.0	66.0
Official sources	3.8	12.1	14.5	15.4	20.7	
Private sources	3.9	17.7	34.9	37.1	31.3	
Interest	2.3	8.2	15.3	22.4	30.6	48.0
Official sources	0.9	2.2	4.2	4.9	5.8	
Private sources	1.4	6.0	11.1	17.5	24.8	
Net transfers /c	5.4	21.6	34.1	30.1	21.4	18.0
Official sources	2.9	9.9	10.3	10.5	14.9	
Private sources	2.5	11.7	23.8	19.6	6.5	
Total debt service /d	7.4	23.0	48.1	63.0	71.9	99.0
Official sources	2.4	5.2	8.8	11.0	13.0	
Private sources	5.0	17.8	39.3	52.0	58.9	

Note: Details may not add to totals because of rounding. Data are for 97 developing countries which report their debt to the World Bank. Thus the country coverage of Tables 5 and 6 and the text section on debt is narrower than that of the remainder of Chapter 2. Estimates for private nonguaranteed debt are included.

/a Preliminary
/b Gross disbursements minus amortization.
/c Net disbursements minus interest. (Equals gross disbursements minus debt service.)

/d Amortization plus interest.
Source: World Bank.

Table 6: Medium-term and Long-term Debt and Debt-service Indicators of Public and Private Debt, 1970-1980

	1970	1975	1980
Disbursed debt as a % of GNP			
Oil importers	16	19	27
Low-income countries	16	19	18
Middle-income countries	16	19	31
Oil exporters	16	20	24
Debt service as a % of GNP			
Oil importers	2	3	5
Low-income countries	1	1	1
Middle-income countries	2	3	6
Oil exporters	3	3	5
Debt service as a % of exports of goods and services			
Oil importers	15	17	20
Low-income countries	18	13	12
Middle-income countries	14	18	21
Oil exporters	16	13	17

NOTE: Data are for 97 developing countries which report their debt to the World Bank. Estimates for private nonguaranteed debt are included. For a discussion of the limitations of such ratios, see Statistical Annex note on Annex Table 4.

Source: World Bank estimates.

temporary liquidity difficulties, may not be well-suited to countries needing to make major, longer-term structural changes.

Official Development Assistance

Capital flows, discussed in the preceding sections, are important for increasing the level of investment in the developing countries. An important élement of these flows, particularly for the low-income countries, are the net flows of official development assistance (ODA) -- that is, grants and concessional loans. ODA to developing countries directly and through multilateral agencies rose by 8 percent in nominal terms in 1981, reaching $38 billion; ODA from members of the Development Assistance Committee (DAC)[9] of the OECD showed little increase. It increased by 00 percent in 1981 to nearly $00 billion, or 0.33 percent of their combined GNP, compared with 0.37 percent in 1980 and 0.35 percent in 1979. However, five countries provided more than 0.7 percent of their GNP in the form of ODA: Denmark, France, the Netherlands, Norway, and Sweden. ODA from countries that are members of the Organization of Petroleum-Exporting Countries (OPEC)[10] rose by 15 percent to $8 billion, but declined in relation to GNP from 1.35 to (0.0) percent. ODA from the high-income oil exporters fell from (00) percent of GNP in 1980 to (00) percent in 1981. The assistance from the centrally planned economies[11] was unchanged, at $1.8 billion for the third year in succession.

[9] Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany (Federal Republic of), Italy, Japan, the Netherlands, New Zealand, Norway, Sweden, Switzerland, the United Kingdom, the United States, and the Commission of the European Communities.

[10] Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

[11] Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland, Romania, and the USSR.

Table 7: Net Disbursements of Official Development Assistance, 1976-1981
(US$ billions)

	1976	1977	1978	1979	1980	1981 /a
DAC countries	13.8	15.7	20.0	22.3	26.6	
OPEC countries /b	5.6	5.9	4.3	6.1	7.0	
Centrally-planned economies /b	1.3	1.3	1.3	1.8	1.8	

/a Preliminary.
/b Estimate.

Source: OECD. For details, see Table 16 in the 1982 World Development Indicators.

World Trade

According to the General Agreement on Tariffs and Trade (GATT), the volume of world merchandise trade stagnated in 1981 after increasing by barely 1 percent in 1980. A particularly weak performance in the fourth quarter of 1981 apparently continued into early 1982. The principal cause was the decline in the export of petroleum and other minerals. World exports of petroleum declined by 14 percent and those of other minerals by 5 percent. Excluding petroleum, the volume of world trade increased in 1981 by an estimated 2.5 percent from its 4.5 percent growth in 1980. The volume of world exports of agricultural products increased by 5 percent -- accounted for mainly by cereals from the industrial countries. The volume of world exports of manufactures increased by 3 percent.

The volume of exports of both the industrial countries and the non-OPEC developing countries increased in 1981 by an estimated 3 percent. A decline of about 16 percent was registered by the OPEC countries. The volume of imports of the industrial countries declined by between 2 percent and 3 percent; in contrast, imports of the developing countries, excluding the OPEC nations, rose 7 percent. However, only a few of these countries participated in that increase to a marked extent. OPEC countries once again were the fastest growing

Table 8: Annual Changes in Dollar Value and Volume of World Trade, 1971-1981

(percentages)

	Dollar Value	Volume
1971	12	8
1972	18½	8½
1973	38½	12½
1974	45½	3½
1975	4½	- 3
1976	13½	11
1977	13½	11
1978	16	5½
1979	26	6
1980	21	1
1981	- 1	0

Source: Data for 1971-1979 are from GATT, International Trade 1980/81, Appendix Table A2. Data for 1980-1981 are from the March 1982 GATT Press Release.

Table 9: World Trade, 1980-1981

(US$ billions and percentages)

	Exports (f.o.b.)				Imports (c.i.f.)			
	Value		Change over previous year		Value		Change over previous year	
	1980	1981 a/	1980	1981 a/	1980	1981 a/	1980	1981 a/
	(US$ billions)		(percentages)		(US$ billions)		(percentages)	
World	2,000	1,970	+21	-1	2,045	2,030	+21	- 1
of which								
Industrial countries	1,233	1,215	+18	-1	1,382	1,315	+20	- 5
OPEC countries	296	270	+39	-9	135	155	+35	+15
Other developing countries	250	265	+25	+6	308	330	+26	+ 7
Eastern trading area /b	176	179	+17	+2	173	178	+15	+ 3

NOTE: Figures for 1981 are based on incomplete returns and are subject to revision. World Totals include Australia, New Zealand, and South Africa, which are excluded from the breakdowns.

/a Preliminary.
/b Imports f.o.b. Countries covered are Albania, Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland, Romania, USSR, China, Mongolia, Korea DPR, and Viet Nam.

Source: March 1982 GATT Press Release.

import market, despite the sharp drop in their oil exports.

The value of world merchandise trade amounted to nearly $2,000 billion in 1981, 1 percent less than in 1980. With the exception of petroleum, dollar unit values for the major product categories entering world trade declined in 1981. The price declines were much more pronounced for primary products exported by the developing countries than for those exported by the industrial countries.

For the first time, the value of the developing countries' manufactured exports surpassed that of their exports of primary products, excluding petroleum. Apart from the long-term structural shift and their increased capacity to supply manufactured goods, this was also the result of price declines for nonoil raw-material exports and a weak demand for primary products. South-South trade has been steadily expanding at a rate faster than the total trade of the developing countries. Recent data are not available, but the current recession in the industrial countries should have encouraged developing-country exporters to push their products even harder in other developing-country markets, particularly in those of the oil exporters. South-South trade has been aided by the fact that GNP of the developing countries has been growing at a rate faster than that of the industrial countries.

Commodity Prices

According to the World Bank Primary Commodity Price Index,[12] international commodity prices (excluding petroleum) declined by 14.5

[12] Index of thirty-three nonoil primary commodities in current US dollars (1974-76 = 100), weighted by the value of exports from the developing countries.

percent in 1981 and slipped another 5 percent in the first four months of 1982. The price fall was common to all three major groups of commodities: foods, agricultural nonfood products, and metals and minerals. Foodstuffs (including beverages), hit hardest by declines in the prices of coffee, cocoa, and sugar, experienced the largest price drops of the three groups, falling 16 percent, on the average, in 1981. Prices have fallen further in the period January - April 1982. Cereals were the important exception, with rice, wheat, and maize registering higher average prices in 1981 than in 1980, resulting mainly from strong import demand from the Soviet Union. Their prices weakened somewhat, however, in 1982, with continuing good harvest prospects and declining trade prospects -- especially for rice.

Oversupply, the result of good harvests and overplanting of perennial crops in recent years, was the main determining factor in the fall of prices of food and beverages. On the other hand, demand conditions -- related to the economic stagnation in the industrial countries -- were the major determinant in the decline in prices for non-food agricultural raw materials and minerals-metals. Those primary commodities most directly and obviously affected have been rubber and lead (the automobile industry), timber (the housing and construction industries), and most ferrous and non-ferrous metals (the capital-goods and durable consumer-goods industries). Fats and oils products, which have a wide range of industrial uses, have also been hurt.

The second consecutive year of very slow economic growth in industrial countries and, in particular, of very weak industrial production performance has negatively affected the demand for all primary inputs: natural rubber, copper, and tin prices were subject to the strongest downward pressures. Cotton prices also fell, under the impact of weak demand for textile and clothing products. Countries heavily dependent on exports of these products, particularly those in Latin America and Africa, were badly hurt. The negative revenue effects of these demand declines were compounded by the concomitant poor performance of tropical-beverage exports.

In addition to the reduction in the direct demand for inputs for use in current production, there has also been a rundown of inventories (resulting from the increased cost of holding stocks in a time of high interest rates) that has even further decreased purchases of inputs for current production.

An additional factor that significantly affected commodity prices was the sharp appreciation of the US dollar. It increased the prices paid in local currency, other than the US dollar, of those commodities whose markets are largely influenced by the US (markets in which the US is either a large producer or a large consumer). This has tended to reduce the demand for those commodities and to depress their dollar prices.

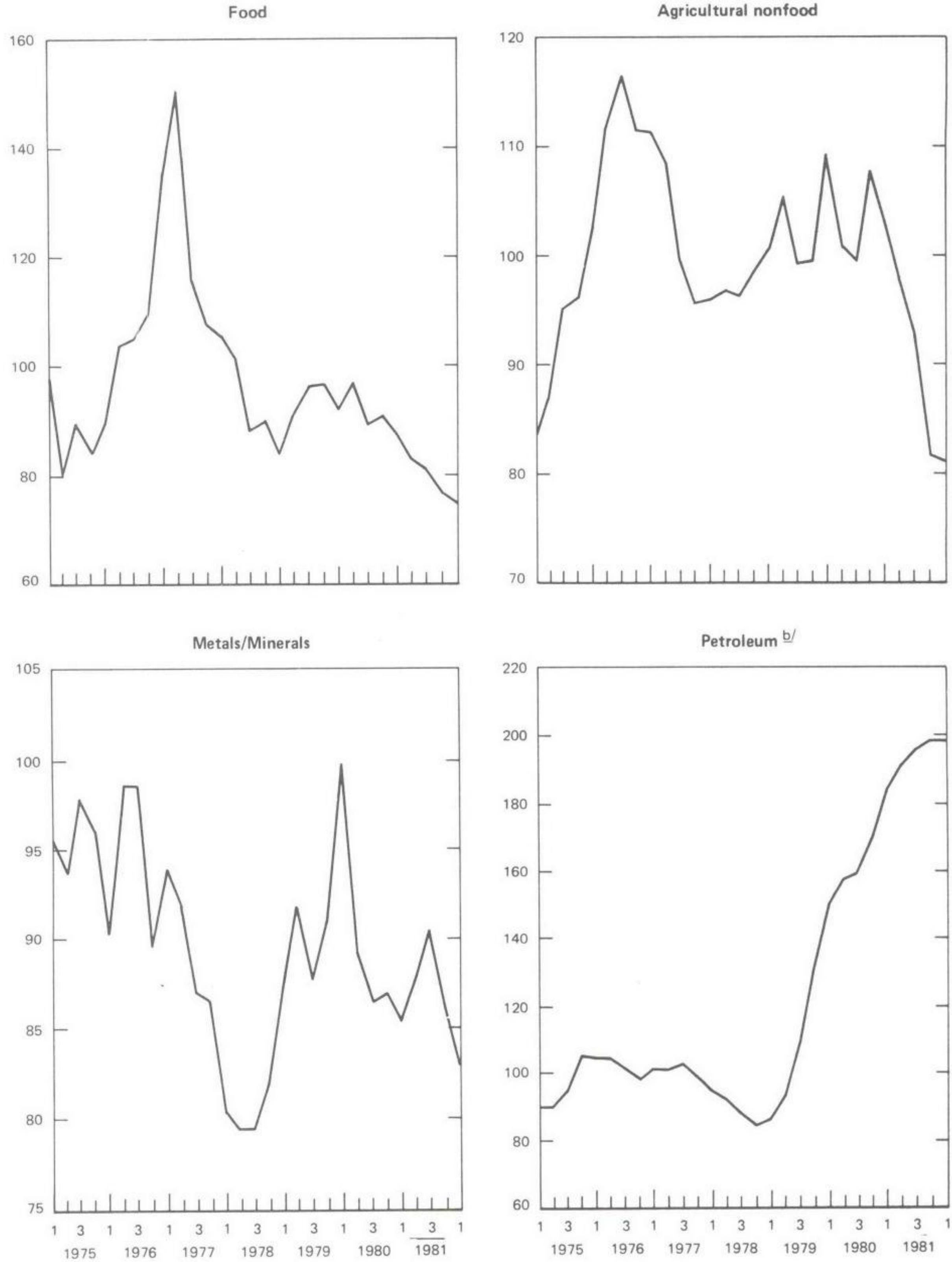
Weak demand conditions also negatively affected oil markets. Oil consumption declined by almost 6 percent in the industrial countries in 1981. Although the economic downturn was probably the main cause, conservation in the form of greater efficiency in the use of petroleum and a shift from petroleum to other fuels-- encouraged by the earlier steep increase in oil prices--were also important factors. Slower growth and conservation measures kept the consumption of oil in the developing countries at its 1980 level.

In response to the sagging demand for oil and to increased drawdowns of inventories toward the end of 1981, world oil production for the year dropped by nearly 6 percent, to 58.3 million barrels per day (mbd). Production by the member countries of OPEC dropped from 26.8 mbd in 1980 to 22.5 mbd in 1981, a decline of about 16 percent. While production in the non-OPEC developing countries -- mainly in Mexico -- increased in 1981, output in the North Sea and the centrally planned economies showed little change. Total world production in the first quarter of 1982 dropped to about 55 mbd, due mainly to the continued weakening of demand in the industrial countries.

Spot prices, which had increased sharply in late 1980 with the outbreak of hostilities in the Persian Gulf, began to decline in early 1981. By the third quarter of 1981, spot prices actually fell below official selling prices. However, the weighted average official selling prices of OPEC crudes increased by 12 percent, from $30.50 a barrel in 1980 to $34.30 in 1981. Thus, price developments in the small, residual spot markets may often be at variance with general price behavior.

As the demand for petroleum products continued to decline in early 1982, petroleum-product prices, first, and then crude-oil prices, in the major markets began to fall rapidly. While spot-market prices declined by nearly 9 percent between January and March of 1982 alone, official selling prices for term contracts with OPEC countries remained largely unchanged. To support the existing price structure, OPEC countries jointly decided to lower production ceilings. As a result, downward pressure on prices eased. The oil-importing developing countries currently face a somewhat eased supply situation, and although most of their requirements are still supplied through term agreements, the largest importers are looking to the lower-priced spot market to fill part of their needs.

Weighted Indices of Commondity Prices
(constant US dollars (1974/76–100)) [a/]



a/ Deflated by UN Manufactured Goods Export Unit Value.
b/ Saudi Arabian Light.

Terms of Trade

movements in commodity prices and changes in exchange rates -- have exhibited an unprecedented degree of variability over the past several years. Although the terms of trade of developing countries as a group showed no movement over the period 1978-81, there were major shifts among groups of countries and even sharper variations among individual countries.

The terms of trade of the oil-exporting developing countries improved by 43 percent in 1978-81; most of the improvement was registered in 1979 and 1980 as oil prices rose sharply relative to other prices. The gains were shared by all countries in the group. However, smaller gains went to Malaysia, because of adverse price movements in its commodity exports (rubber, palm oil), and to Tunisia and Ecuador, because of the relatively small share of oil in their total exports. In 1981, the gains for oil-exporting countries decelerated.

The oil-importing developing countries, on the average, experienced a net decline of 13 percent in their terms of trade over the period 1978-81. This loss reflects the increase in the price of imported oil and the decline in the prices of most commodity exports.

Declines in the terms of trade over this period were not peculiar to any particular region. But the average declines were distinctly higher for the low-income countries and for those countries still heavily dependent on one or two primary-product exports. These

Table 10: Barter Terms of Trade Changes for Developing Countries, 1978-1981

Oil-importing developing countries	- 13%
Low-income	- 19%
Africa, south of the Sahara	- 13%
Ethiopia	- 27%
Kenya	- 19%
Madagascar	- 26%
Tanzania	- 16%
South Asia	- 21%
Bangladesh	- 16%
India	- 24%
Pakistan	- 11%
Sri Lanka	- 19%
Middle-income	- 13%
Africa, south of the Sahara	- 15%
Cameroon	- 15%
Ghana	- 36%
Ivory Coast	- 30%
Senegal	- 11%
Sudan	- 21%
Zambia	- 3%
East Asia	- 12%
Korea	- 10%
Philippines	- 7%
Thailand	- 5%
Latin America and the Caribbean	- 12%
Argentina	- 1%
Brazil	- 25%
Chile	- 4%
Colombia	- 22%
Dominican Republic	- 3%
Guatemala	- 18%
Uruguay	- 3%
More advanced Mediterranean countries	- 15%
Portugal	- 11%
Turkey	- 22%
Yugoslavia	- 3%
North Africa and Middle East	- 2%
Jordan	+ 3%
Morocco	+ 6%
Oil-exporting developing countries	+ 43%
Algeria	+ 91%
Ecuador	+ 21%
Egypt	+ 45%
Indonesia	+ 69%
Malaysia	+ 8%
Mexico	+ 39%
Nigeria	+ 55%
Tunisia	+ 16%
Venezuela	+ 121%
All developing countries	0%

Source: World Bank estimates.

countries have little flexibility in expanding and adjusting their export mixes.

The picture for the terms of trade with regard to manufactures is far less clear, as appropriate price indices for manufactured exports from the developing countries are not available. In principle, the prices of these goods should follow the price indices for the manufactured exports of industrial countries; this may not necessarily be so for a variety of reasons. Manufactured products exported by the developing countries have a smaller range, leading to severe competition among them. They also have a lower value-added component than do the products exported by industrial countries. The developing countries are forced to keep the prices of their products relatively low so as to better penetrate industrial-country markets. On the other hand, to the extent that industrial-country exports are more capital intensive, the inducement to spread overhead costs is greater.

International Commodity Agreements

An agreement establishing a Common Fund for commodities was adopted in June 1980. Ratification was to have been required by ninety countries accounting for two-thirds of the Fund's directly contributed capital by March 31, 1982. As the deadline passed without that goal having been reached, it was extended to ______________.

In the past twelve months, discussions proceeded on such prospective agreements as tea, cotton, and bananas.

The four primary commodities for which international agreements are in place, and which generally enjoy the widespread support of producing countries, are commodities that experienced some of the largest price declines in the past year: coffee (down 17 percent), cocoa (down 20 percent), rubber (down 23 percent), and tin (down 16 percent).

The export quotas put into force by the International Coffee Agreement in September 1980 have remained in effect and the Agreement has been extended for another year, with a new Agreement now the subject of negotiations. The renewed International Cocoa Agreement came into force in August 1981, but without the membership of either the largest producer, Ivory Coast, or the largest consumer, the US. The buffer-stock scheme established under the Agreement to provide support for cocoa prices began operations in October 1981.

The International Natural Rubber Agreement, which came into provisional force in October 1980 and was finally ratified in April 1982, was the first to provide for association with the Common Fund; it commenced limited use of its Buffer Stock Operations in November 1981 after rubber prices has fallen to trigger price levels, the lowest prices in three years. Because the financial resources of the Agreement are limited, buying into the natural rubber buffer stock has so far resulted in only slight increases in prices. The Fifth International Tin Agreement was extended for only one year until June 1982 while negotiations for the Sixth Agreement proceeded. Tin prices, too, have recently responded little to purchases by the Tin Buffer Stock Manager.

In May 1982, the countries of the European Communities agreed to increase the Stabex fund by $92 million to $199 million to meet half the African, Caribbean, and Pacific (ACP) countries' requests for relief for shortfalls in 1981 in export earnings from primary commodities.

The Stabex fund, under the provisions of the second Lome Convention, covers shortfalls of some forty-four products. The amount of such aid during the period 1981-85 is $7.2 billion.

Global Negotiations. No agreement has so far been reached in the United Nations on procedures for the conduct negotiations on trade, energy, raw materials, development finance, and monetary issues, although the original timetable called for the negotiations to be completed by 1981. Differences between the developed and developing countries on procedures for negotiating on monetary and financial issues, and on the role of the specialized agencies have proved particularly difficult. The detailed agenda has not yet been addressed.

In June 1982, at the summit meeting of seven major industrialized nations held at Versailles, it was agreed that the launching of global negotiations constituted a major political objective approved by all seven participants with the provision that the "independence" of the specialized agencies be "guaranteed."

Cancun Summit. Following on the recommendation of the Brandt Commission Report, an economic summit of twenty-two heads of state from the developed and developing countries -- nine industrialized countries and thirteen developing countries from each of the regions (including China) -- met in Cancun, Mexico, in October 1981. The co-chairmen of the meeting were the President of Mexico, Jose Lopez Portillo, and the Prime Minister of Canada, Pierre Trudeau. At its conclusion, the co-chairmen's summary stressed the importance of promoting closer international cooperation and confirmed the desirability of supporting, at the United Nations, a consensus to launch global negotiations on a basis to be mutually agreed and in circumstances offering the prospect of meaningful progress. Major issues discussed at the summit were food security and agricultural development, with the international objective of eradicating hunger within as brief a period as possible; commodities, trade, and industrialization, with agreement on the need to complete procedures for bringing a Common Fund into operation; energy, which was seen as a key global problem for the 1980s with the consequent need for increased energy investment in the developing countries; and monetary and financial matters with review of he financial difficulties facing the developing countries in respect of balance-of-payments deficits and external debt.

South-South Cooperation. Following on the Cancun summit meeting and the lack of progress in international negotiations, a conference of the developing countries was convened in New Delhi at the invitation of the Prime Minister of India, Indira Gandhi. Forty-four developing nations participated in the conference, including China. The meeting concluded that global negotiations remained the most important multilateral economic cooperation objective of the international community. Notably, the conference concluded that on energy, the establishment of an appropriate institution, such as the proposed Energy Affiliate of the World Bank, was of overriding importance, as was the effective implementation of the Nairobi Program of Action for the financing of new and renewable sources of energy. Several mechanisms were considered under the Program of Action developed by the Group of 77 in Caracas, Venezuela, in May 1981 for the promotion of economic cooperation among the developing countries, such as technical assistance to the Group of 77 and the scheduling of technical meetings in the fields of finance, science and technology, food and agriculture, new and renewable sources of energy, trade, industrial manpower training, and technical cooperation.

Development Committee. The September meeting of the Development Committee under the chairmanship of (a.i.) Manuel Ulloa Elias, Prime Minister and Minister of Economy, Finance and Commerce of Peru, reviewed the world development situation and the expressed concern at the poor medium-term prospects for developing countries, especially the low-income developing countries, on the basis of the World Bank's World Development Report 1981. The Committee supported the provision of additional resources to the World Bank and resolution of outstanding issues on the Sixth Replenishment of IDA. On energy, the Committee welcomed the conclusions of the Nairobi Conference that need existed for substantial and increased financing for the development of new and renewable energy resources in the developing countries and for the exploration of sources of increased energy financing. The report of the Task Force on Non-Concessional Flows, containing proposals for increased cofinancing and other forms of cooperation with private financial institutions, was also reviewed. The World Bank's study, Accelerated Development in Sub-Saharan Africa: An Agenda for Action, was discussed by the Committee, which concluded that the study formed a good basis for a dialogue among the African governments, the international donor community, and multilateral financial institutions. The Bank was urged to take the lead in carrying forward this dialogue.

At its May 1982 meeting, the Committee reviewed the status of lending operations of the multilateral development institutions, in particular IDA, additional World Bank lending for energy, and the replenishment problems of regional banks. The Committee took note of alternative proposals under discussion among donor countries for reducing current and prospective shortfalls of IDA's commitment authority in the fiscal years 1982-84 and stressed the importance of resolving problems facing IDA. The Committee agreed that discussions on the Seventh Replenishment of IDA should commence urgently. The World Bank's Executive Directors were requested to continue their study of the scope for expansion in real terms of Bank lending. The Executive Directors were also asked to explore ways to enable the Bank to finance an increased program of energy investments, including an Energy Affiliate, or a Special Fund, or by cofinancing arrangements. The World Bank and regional banks were asked to consider the recommendations of the Task Force on Non-Concessional Flows to stimulate such flows to developing countries. The Bank's efforts to expand the scale of its cofinancing operations were endorsed. A Task Force on Concessional Flows was established to study the problems affecting the volume and quality of concessional flows, as well as actions that might be taken to improve the effective use of official development assistance. Eighteen member countries -- industrialized, developing, and OPEC members -- are represented on the Task Force.

Follow-up action on the Bank's sub-Saharan Africa study in regard to the policy dialogue among African Governors and between the Bank and African governments and the international donor community, was reviewed. The Bank was urged to assist sub-Saharan countries to formulate specific programs of action and to pursue its dialogue with donor countries in order to enhance the flow of aid to support programs.

UN Conference on New and Renewable Energy Resources. One hundred twenty countries were represented at a Conference in Nairobi, Kenya in August 1981 to explore the possibilities for development of new and renewable sources of energy. The Conference recommended to the UN General Assembly the establishment of an inter-governmental body to guide and monitor a program of action for the development of new and renewable sources of energy which would submit its recommendations to the General Assembly through the Economic and Social Council for inplementing the program of action. The Conference also agreed on a system for coordinating action by UN organs and inter-governmental organizations that are involved in the development of new and renewable sources of energy under the Director General for Development and International Economic Cooperation. Attention was drawn to the need to mobilize substantial financial resources to meet estimated energy-investment requirements. The Conference urged that all possible avenues should be studied to increase energy financing.

Commonwealth Meetings. The Commonwealth, through its Secretariat in London, was active in the past year in seeking to promote international economic cooperation between developed and developing countries. At the meeting of Commonwealth Finance Ministers in Nassau, The Bahamas, in September 1981, an appeal was made for enhanced international cooperation to promote a healthy world economic system with particular regard to the repercussions of national economic policies on other countries. Ministers also called for an early initiation of global negotiations. Heads of Goverment of Commonwealth countries meeting in Melbourne, Australia, in October 1981 issued the Melbourne Declaration, stating that it was imperative to revitalize the dialogue between the developed and the developing countries. Theyreviewed current international economic issues in the fields of finance, trade and protectionism, commodities, energy, and food, and called for international action to increase official development assistance, support the Sixth and Seventh Replenishments of IDA, strengthen the role of multilateral institutions, reduce protectionist tendencies, and sign and ratify the Common Fund Agreement. Special action was also needed to provide assistance for energy development and to deal with the precarious world food situation.

The Heads of Goverment also established two expert groups -- one on the Obstacles to the Negotiating Process and the other on the Impact of Protectionism on Developing Countries' Trade.

UN Conference on the Least Developed Countries. A UN Conference on the Least Developed Countries took place in Paris, France in September

1981 under the chairmanship of the French Minister of Cooperation and Development, Jean-Pierre Cot. One hundred countries were represented, including thirty-one classified by the UN as "least developed" (LLDCs). The Conference adopted a Substantial New Program of Action for the 1980s intended to provide a focus for targets on international assistance to the LLDCs. Most of the developed country participants agreed to provide a minimum of 0.15 percent of their gross national product as official development assistance (ODA) to the LLDCs during the period 1981-85 and to increase the percentage to 0.20 percent during the second half of the decade. It was expected that the effect of these commitments would be a doubling of ODA to the least developed countries by 1985 compared with the period 1975-80. Provision was made to review progress in implementing the program on the national, regional, and global levels. The program called for consideration of an increase in the number of aid coordination groups in the least developed countries and for strengthening and broadening existing groups.

UN Conference on the Law of the Sea. On April 30, 1982, the Eleventh and final Session of the Third United Nations Conference on the Law of the Sea adopted a Convention on the Law of the Sea by a vote of 134 to 4, with 17 abstentions. The agreement was the climax of nine years of negotiations. In December 1982, the Convention will be opened for signature in Caracas, Venezuela. It will enter into force twelve months after sixty states have ratified or acceded to the Convention.

The Convention on the Law of the Sea lays down rules for all parts and virtually all uses of the oceans. Among its key features are delimitation of maritime areas between: the twelve-mile-wide territorial sea over which coastal states exercise sovereignty; the two-hundred-mile-wide exclusive economic zone in which coastal states have sovereign rights over natural resources and certain economic activities; the continental shelf in which, again, coastal states have sovereign rights over that part of the ocean floor for exploring and exploiting it.

It was not possible to achieve consensus on the question of the future system fo sharing resources of the international seabed area.

The Convention provides for Jamaica to be the seat of the International Seabed Authority and the Federal Republic of Germany to be the seat of the International Tribunal for the Law of the Sea.

BANK POLICIES AND ACTIVITIES: FISCAL 1982

BANK POLICIES

With the exception of certain powers specifically reserved to them by the Articles of Agreement, the Governors of the Bank have delegated their powers for the conduct of the general operations of the Bank to a Board of Executive Directors that performs its duties on a full-time basis at the Bank's headquarters. There are twenty-one Executive Directors: As provided for in the Articles of Agreement, five are appointed by the five members having the largest number of shares of capital stock and the rest are elected by the Governors representing the other members. The President of the Bank is Chairman of the Board.

The Executive Directors fulfill dual responsibilities. They represent their constituents' interests and concerns to the Board and management when determining policy or considering individual projects, as well as the interests and concerns of the Bank to the country or countries that appointed or elected them. The Directors, therefore, act as a two-way channel of communication between the Bank and the member countries. Since the Bank operates on the basis of a philosophy of consensus (formal votes are rare), this dual role involves frequent communication and consultations with governments so as to reflect accurately their views in Board discussions.

Policy is decided by the Executive Directors within the framework of the Articles of Agreement. The Directors consider and decide on the loan and credit proposals made by the President. They are also responsible for presentation to the Board of Governors at its Annual

Meetings of an audit of accounts, an administrative budget, the Annual Report on the operations and policies of the World Bank, and any other matter that, in their judgment, requires submission to the Board of Governors. Matters may be submitted to the Governors at the Annual Meetings or at any time between Annual Meetings.

Policy decisions that the Executive Directors make annually, or more frequently as necessary, include those that concern the Bank's lending rate, allocation of its net income, staff compensation, and the research program.

The management of the Bank and the Executive Directors are partners in the execution of their respective functions for the efficient running of the Bank. To meet the Executive Directors' needs for information on management activities, therefore, seminars on special issues were arranged and complemented by regular progress reports or briefings on specific Bank policies, such as on currency swaps, per capita GNP and country classifications, external relations, the US Dollar-Swiss Franc-linked transaction, a review of Bank income prospects and policies, structural adjustment in developing countries, and the Bank's borrowing and lending-rate policies.

Annual reports with which the Directors deal concern project implementation and supervision, the activities of the Joint Audit Committee, the financial statements of the Bank and IDA, and the staff retirement plan. In fiscal 1982, the Directors considered the sixth annual report of the Director General, Operations Evaluation (commending it for an objective and balanced presentation) and the seventh "Annual Review of Project Performance Audit Results."

The changes introduced in 1979 to enhance the effectiveness of the Development Committee (the Joint Ministerial Committee of the Board of Governors of the World Bank and the International Monetary Fund on the Transfer of Real Resources to Developing Countries) have provided for a greater and closer involvement of the Executive Directors and the staff of the Bank. These changes continued to be reflected, in an increasing measure, in all the preparatory work undertaken for the meetings of the Development Committee held in September 1981 in Washington, D.C. and in May 1982 in Helsinki, Finland. For these meetings, the Executive Directors considered at length the World Development Report 1981, which presented two growth scenarios for various parts of the global economy for the decade of the eighties. They also considered the status of the lending operations of the multilateral development institutions, the current difficulties and uncertainties that surround IDA Replenishments, and a follow-up on outstanding development issues arising from those recommendations of the Brandt Commission and the G-24 Program of Immediate Action that were of relevance to the Bank.

The Executive Directors also deliberated on the special study prepared by the staff on sub-Saharan Africa, and they commented on the final report of the Development Committee's Task Force on Non-concessional Flows. Both meetings of the Development Committee during the year were attended by the Executive Directors, who assisted the Members of the Committee in their deliberations.

Three standing committees of the Board have been established to aid the Executive Directors in carrying out their duties. They are: the Committee on Directors' Administrative Matters, the Joint Audit Committee, and the Committee on Staff Compensation Issues.

The Committee on Directors' Administrative Matters was established in 1968. It considers, makes recommendations, and reports its findings to the Executive Directors for their decision on matters of administrative policies relating to Executive Directors, Alternates, Advisers, and their staffs. Its terms of reference involve it in a wide spectrum of administrative matters and charge it with the responsibility of assisting Executive Directors in the formulation of policies, changes in existing policies, and implementing such policies by considering and deciding on questions that involve individual Executive Directors. The Committee coordinates many of its recommendations with a similar committee established by the Executive Directors of the International Monetary Fund. In making its recommendations, the Committee endeavors to maintain a balance between the overall organizational and administrative objectives of the institution and the unique circumstances faced by Executive Directors in discharging their responsibilities.

The Committee meets as frequently as necessary, normally about once a month. The membership consists of six Executive Directors for a term of two years after each regular election of the Executive Directors. Since December 1980, Said El-Naggar has been serving as its chairman.

The Joint Audit Committee was established in 1970, essentially to represent the shareholders of the Bank in maintaining vigilance over the soundness of the Bank's financial practices and procedures. In pursuing it responsibilities during fiscal 1982, the Committee nominated a firm of private, independent, internationally established accountants to conduct the annual audits of the Bank, IDA, and the IFC, discussed with them the scope of their examination, and reviewed with them the annual audited financial statements and the opinions thereon. In addition, through meetings with the Bank's senior financial officers, the Committee sought to ensure that the Bank's financial affairs are properly conducted.

The Committee is also charged with the responsibility of satisfying itself that the Bank's operations evaluation and internal audit are adequate and efficient. It therefore reviewed the work programs of the Operations Evaluation and Internal Auditing Departments, the work in progress, desirable standards, and procedures of reporting. Through a subcommittee, it gave special attention to Project Performance Audit Reports to determine how well the Operations Evaluation Department carries out its assessment of individual projects. The Committee itself reviewed and identified those giving rise to policy issues that may be considered by the Executive Directors. Through another subcommittee, the Committee examined a number of Internal Audit Reports to determine how well the Internal Auditing Department carries out its individual audits.

Of continuing concern to the Committee is the adequacy of the flow of financial information to the Executive Directors in order for the Board to discharge its responsibilities properly with respect to the financial policies of the Bank. Accordingly, the system for providing financial information to the Board is reviewed periodically by the Committee.

The Committee provides a continuous channel through which the internal and external auditors can communicate with the Executive Directors should the need arise. It meets as frequently as necessary, normally once a month. The Committee consists of eight Executive Directors who are appointed by the Board for a term of two years after each regular election of Executive Directors. Since December 1980, Anthony IJ. A. Looijen has served as chairman of the Committee.

The Committee on Staff Compensation Issues was established in July 1980. Its terms of reference mandate it to keep under continuing review and, where appropriate, to advise the Executive Directors on questions of staff compensation policy and to maintain close liaison on all such matters with the Executive Directors of the International Monetary Fund (IMF), bearing in mind the need for general parallelism between the two institutions.

Since its inception, the Committee has addressed a wide range of topics. These include: development of a coordinated approach to compensation matters with the IMF; the principles and objectives that should govern compensation policy in the Bank, in light of the 1979 Board decisions on the recommendations of the Joint (Bank-Fund)

Committee on Staff Compensation Issues ("Kafka Committee"); the findings, implications, and options resulting from the major compensation survey conducted by Hay Associates (an outside consulting firm), as provided for by those 1979 Board decisions; the performance appraisal and reward systems; the Bankwide job regrading exercise; [the terms of reference for a study of expatriation benefits; and the scope of the Pension Plan review and the mechanism for carrying it out.]

The Committee has also considered arrangements for, and substantive proposals related to, interim and annual salary reviews. In discharging its functions, the Committee has based its deliberations on written documents submitted for its consideration, as well as on oral presentations by senior staff and representatives of the Staff Association.

The Committee, which meets as freqently as necessary, consists of eight Executive Directors who are appointed by the Executive Directors for a term of two years after each regular election of Executive Directors. Since December 1980, Earl G. Drake has served as chairman of the Committee.

Graduation of Bank Borrowers

Graduation of borrowers from the World Bank is a firmly established principle and has been a long-standing practice. It is a process of slowly phasing out World Bank lending as a borrowing country reaches a level of development, management capacity, and access to capital markets that permits it to carry on without Bank financing. The graduation principle was examined at a meeting of the Bank's Executive Directors during the past year. Its major features are:

1. Graduation is a logical step in the development process, and a clear set of guidelines for graduation from Bank lending is called for.

2. Graduation should be both flexible and fair, and sensitive to each country's individual circumstances; special features, such as the problems of small countries with narrowly based economies, will be recognized in the phase-out program.

3. Graduation will normally occur within five years after a country reaches the per capita gross national product (GNP) benchmark, of $2,650 at 1980 prices; this period might be longer if the economic situation deteriorates during the phase-out period.

4. Graduation should be seen as a stage in the evolving relationship between the borrowing country and the Bank. The Bank will continue to provide support to those countries that wish it after lending has ceased; support might include services such as technical assistance (assistance in project work and institution building, review of economic policies, arrangements for private financing), continued access to the courses of the Bank's training institute, EDI, and

continued eligibility for IFC operations.

5. Once a program of graduation is agreed upon with the borrower, the management of the Bank will make a full report to the Executive Directors.

6. The graduation issue, including any problems that may arise in the application of the per capita GNP trigger, will be reviewed annually. The methodology of calculating the per capita benchmark will also be subject to review.

The principle of graduation derives mainly from the Bank's Articles of Agreement; these require that the Bank must, before making a loan, satisfy itself that the country cannot obtain the loan on reasonable terms in the private capital market. The Bank has interpreted this provision to refer to the extent of a country's access to private markets for meeting its overall borrowing requirements at reasonable terms. But since "extent of access" and "reasonable terms" are not possible to measure precisely, the Bank, since 1973, has used a per capita GNP benchmark -- $1,000 in 1970 prices -- as a proxy for the level of development that should normally warrant consideration of graduation.

The Bank's Focus on Poverty Alleviation

The World Bank has always emphasized economic growth and efficiency. In the 1970s, however, as part of a growing worldwide recognition that growth was not reaching the poor majority in many developing societies, the Bank, in addition, placed special emphasis on direct measures to alleviate poverty, both in its lending operations and in its economic research and analysis.

As a result, both the Bank and IDA increased their lending to sectors and subsectors considered more directly beneficial to large numbers of poor people -- for example, rural and urban development, primary education, population, health and nutrition, small-scale industries, and water supply; the share of Bank and IDA lending for such activities rose from 5 percent in 1968 to 30 percent in 1980. This expansion in lending paralleled similar changes in the policies of many developing countries and aid donors.

Bank and IDA commitments to low-income countries increased from 37 percent of the total program during the years before 1968 to 58 percent in the current (fiscal 1979-83) five-year lending program. IDA now lends only to this group. The share of Bank lending to this group of countries increased 34 percent over the same period despite creditworthiness constraints that impose limits on such lending to many poor countries.

In fiscal 1982, the Bank undertook an informal review of its general approach to the alleviation of poverty; the review focused on three main issues: (a) the continuing relevance of the objective; (b) an assessment of Bank experience; and (c) suggestions for changes and improvements in Bank policy.

A major conclusion of the review was that there are broad and important areas of complementarity between the twin objectives of growth and alleviation; that this combined approach may well be essential to lasting and stable development; and that, therefore, such a balanced strategy provides the best general framework for development in the 1980s.

A number of other key findings emerged from this preliminary review of Bank experiences, the most important of which were:

-- That through its project lending, the Bank has effectively reached substantial numbers of poor people, particularly through poverty-oriented, "new style" projects.

-- That while there have been mistakes and failures, and although many difficult problems remain, there has been much "learning by doing." Bank projects have generally been effective in directly increasing the productivity of small farmers or indirectly enhancing productive capacity through investments in improved education, health, and nutrition.

-- That "new style" projects have rates of return as high as other projects, have stimulated replication by borrowers, and have resulted in widespread distribution of benefits to poor people.

-- That the Bank has pioneered innovative techniques for reaching the poor (rural development and urban slum upgrading projects, for example) that have been adopted in the national programs of many countries and by other assistance agencies.

-- That the Bank has had a positive influence on government policies and programs when it has introduced poverty concerns into country economic work and its policy dialogue with member governments. The review noted, however, that the change in the character of the country policy dialogue had been hindered by a variety of factors, and that the link with lending was still not as close as desirable.

Many developing countries have made progress in reducing the incidence of poverty. But the long-term character of the development process and the distance yet to go are demonstrated by the fact that there are still hundreds of millions of poor people, mostly in low-income countries, and that this number is not yet declining. What is needed now are further improvements based on the lessons of the past, especially as the economic environment of the 1980s presents the poor with greater problems and increased risks.

The Bank's poverty focus policy was the subject of a seminar by the Directors of the Bank late in the fiscal year. On this occasion, the Directors expressed strong support for the conclusion that poverty alleviation remains a key and integral part of the Bank's development program and endorsed the two major suggestions made for strengthening the Bank's program in the future.

First, increased attention will be given to the impact of country sectoral policy on the productivity and living standards of the poor and be made an important part of the Bank's policy dialogue with borrowers. Shifts in resource allocations and general policy changes -- for example, the impact of trade liberalization or changes in fiscal or price policy -- are powerful instruments for poverty alleviation and can have much greater impact on the well-being of large numbers of poor people than most individual projects. While there is still much to learn, structural-adjustment programs will consider, as far as possible, how the burdens of adjustment are shared among income groups, and how adverse effects on the poor, for example, through increased unemployment, higher prices of basic goods, or higher taxes, can be mitigated. Bank research will give high priority to reducing the gaps in its knowledge of the effects on the poor of macroeconomic policies, including alternative routes toward structural adjustment.

Second, the Bank's project work will be broadened to consider, wherever feasible, poverty and employment aspects in the design of projects in the traditional sectors. While the distinction between poverty and nonpoverty is useful for some purposes, it may be misleading and suggest that only a handful of sectors can benefit the poor or ignore the many ways by which the poor may benefit from other projects. The Bank's objective will be to support an appropriate blend of growth and poverty alleviation through an increasingly broad range of activities.

Neither donors nor borrowers have been very good at bringing about benefits to those without productive assets -- the rural landless, the urban jobless, most adult illiterates, and many female-headed households, for example. In addition to continued support for education, population, and health programs, the Bank will intensify its efforts to understand how to increase the productivity and employment of such people. Bank lending policies will allow room for further experiments that will help project benefits reach the poorest families.

Projects are more likely to benefit the poor to the extent they improve administration and management and build a strong institution base that will endure after the project is completed. Better analysis of the social environment of a project, assessment of its likely social impact, and increased technical assistance are important to lasting and successful development activities.

The Bank's Energy Program

Each year since fiscal 1978, when the Executive Directors of the Bank first agreed to expand assistance for energy development, the Directors have monitored the progress of this activity in the light of the needs of the Bank's member countries and the ability of the Bank to help meet those needs.

In the last few years, lending by the Bank for all kinds of energy development has increased rapidly; by the end of the past fiscal year, that lending, at some $3,225 million, amounted to 24.7 percent of the year's total commitments.

Bank Energy Lending Summary
(Fiscal years. US$ millions.)

	1976-78		1979-81		1982	
	Number of Projects	Amount	Number of Projects	Amount	Number of Projects	Amount
Electric power	56	3,047	60	5,070	21	1,893
Oil and gas	3	210	29	1,147	19	693
Predevelopment	-	-	(17)	(234)	(12)	(88)
Oil development	(2)	(199)	(5)	(527)	(4)	(380)
Gas development	(1)	(11)	(7)	(386)	(3)	(225)
Coal	1	10	2	82	2	207
Fuelwood a/	1	5	7	119	3	42
Other	-	-	1	250	5	390
Total	61	3,272	99	6,668	50	3,225
Percent of total World Bank lending	9	14.8	13.4	19.4	20.2	24.7

a/ Free-standing fuelwood projects only. Another $112 million was loaned for fuelwood development components in other projects during 1979-82.

As the table shows, lending for power still forms the largest part of the Bank's energy program. But lending commitments for oil and gas development have shown the greatest increase. Since fiscal 1978, projects have been identified in more than fifty countries, and since 1980, when lending for predevelopment activities began, about thirty projects have been approved, two-thirds of them in Africa. Several of these projects have already yielded benefits: discoveries or confirmation of earlier indications of deposits in Egypt, Morocco, Tanzania, and Bangladesh and the signing of exploration or production agreements between oil companies and governments in Madagascar, Mali, and Mauritania.

The program also includes lending for coal exploration and development, for fuelwood projects, for alcohol programs in countries where biomass feedstocks are available at low cost, for refinery conversions, and for energy conservation. In building up a program in support of renewable energy development, the Bank has stressed the incorporation of biomass technologies, solar energy, and small hydropower components in its projects, sometimes on a demonstration or pilot basis, so as to acquire operating experience with the most economically promising technologies and applications.

There is now a substantial and growing number of high-priority energy projects proposed for Bank financing. Recent weaknesses in energy prices, likely in any case to be temporary, do nothing to alter the importance of these projects. Finding additional sources of capital has, however, become the key to continued expansion of the Bank's energy program.

During their exploratory discussions on a staff report on the Bank's energy program -- a report that was written for the Development Committee's Helsinki meeting in May -- the Executive Directors generally agreed that the energy share of Bank and IDA lending could not increase significantly beyond its present level of 25 percent without reducing its lending below acceptable levels to other high-priority programs. Many Directors felt that the establishment of an energy affiliate, a proposal endorsed by the Development Committee in fiscal 1981, remained the most attractive method of raising additional funding for energy investment in developing countries. It was conceded, however, that there was no prospect in sight for an agreement on the affiliate's establishment. As regards a suggestion that the Bank should make available additional funds for energy by increasing its overall lending program over currently planned levels, a number of Directors expressed their concern that this would not be appropriate without further analysis of its implications.

The Directors expressed their view that the potential for private cofinancing for projects in the energy field should be fully exploited. Increases in such cofinancing may, indeed, be feasible as the Bank moves from predevelopment activities toward the production phase of projects in oil, gas, and coal. It was the view of many, however, that care was needed to ensure that the Bank's share of financing of projects in any individual subsector does not fall below a level at which its ability to influence project design and implementation arrangements would be impaired.

Ways by which official (but not necessarily concessionary) financing might be expanded were also briefly explored. Three, in particular, were brought forward. One might be a series of bilateral cofinancing agreements under which amounts available to the Bank over several years would be indicated (so that investments in project preparation would be justified); the second could entail the establishment of a pool, or trust fund, for energy lending that would be based on contributions by interested member countries; the third might be for countries to agree in advance to purchase, for their own account, portions of Bank loans or IDA credits made for energy projects, thereby replenishing Bank resources and allowing for expansion of the program. These three modalities, many noted, involved no leverage, and their possible adoption, therefore, required budgetary inputs, most of which, in the current economic climate, are difficult to come by.

The approaches discussed in the report on possible ways to increase flows for energy development, therefore, were seen to be replete with problems, and no consensus emerged as to the best path to follow. The Directors agreed to continue to explore all avenues in search of ways to finance additional lending for energy development.

Review of Structural Adjustment Lending

Structural adjustment lending was begun in fiscal 1980 in response to the markedly deteriorated prospects that were then foreseen for developing countries during the 1980s. These gloomy expectations derived from the problems of stagflation in many parts of the developed world, high interest rates, growing protectionist sentiments, oil prices, and the climate for concessional aid.

Whether a country chooses to adjust to the international situation is not really in question. Adjustment is inevitable simply because the overall balance of payments of each country must, by definition, be balanced. Balancing can be achieved through the generation of domestic savings or by borrowing abroad. The only important questions are whether the consequences will be high rates of inflation, with disastrous and unnecessary declines in the level of economic activity and of employment, and with the collapse of investment and human resource development programs designed to increase the productivity and welfare of the economy; or whether balance can occur through a program of financial and structural adjustment measures that will ensure that the minimum of damage is done to programs of development and that the momentum of growth can be regained.

Structural adjustment lending was designed to provide maximum support, within the staff and financial resources available to the Bank and within its mandate, to those governments that had requested such support and that had recognized the need to formulate and introduce, as a matter of urgency, a set of comprehensive measures designed to adjust the structure of productive activities of their economies to the markedly deteriorated external situation.

In essence, the objectives of structural adjustment lending have been to:

-- support a program of specific policy changes and institutional reforms designed to achieve a more efficient use of resources and thereby contribute to a more sustainable balance of payments in the medium and long term and to the maintenance of growth in the face of severe constraints, and to lay the basis for regaining future growth momentum;

-- assist a country by providing bridging finance until programs of needed structural changes in industry, energy, and agriculture become effective; and

-- act as a catalyst for the inflow of other external capital to help ease the balance-of-payments situation.

In fiscal 1982, the Executive Directors considered a staff report on the progress of structural adjustment lending. That report concluded that despite some disappointments and some delays in the implementation of agreed policy measures, structural adjustment lending had enabled the Bank to respond more fully than would otherwise have been possible to the needs of countries that have sought assistance from the Bank. Assistance had been given while maintaining the Bank's primary emphasis on project lending in support of programs that address the long-term constraints on development -- for example, education, agriculture, research, population policies, infrastructure development.

The report noted that it was still too early, however, to evaluate whether the reform programs had been correctly conceived and whether their impact was likely to correspond to initial expectations in terms of balance-of-payments adjustment at a higher level of economic activity than would otherwise have been possible.

Of the thirteen operations approved through fiscal 1982, six of the related structural-adjustment programs (Turkey I and II, Kenya, Philippines, Malawi, and Mauritius) have been satisfactorily implemented. In the case of four others (Jamaica, Korea, Ivory Coast, and Thailand), approval is too recent for progress in their implementation to be meaningfully assessed. With regard to the remainder (Bolivia, Guyana, and Senegal), although important reforms have been accomplished, implementation problems have been encountered. In two of the three countries, changes in government explain at least in part the problems that have arisen.

Also considered in the report were several issues about which concern has been raised by the Directors, both at the time structural-adjustment lending policy was formulated and since. Among the concerns are: World Bank-International Monetary Fund collaboration; the relationship between structural adjustment and project lending; the appropriate percentage of total Bank operations for structural-adjustment lending; the impact of structural adjustment on low-income groups; and the number of countries that have negotiated structural adjustment lending operations.

Bank-Fund collaboration. The review noted that experience over the past two years had shown that the Bank's structural-adjustment lending operations and the IMF programs were, in practice, both complementary and mutually reinforcing.

Project versus nonproject lending. Since project operations are typically related to one subsector, the scope for taking a broad sector view is inevitably limited (for example, addressing energy-policy issues when the Bank might only be lending for power projects in a country). In many countries, the Bank is involved in only a limited number of sectors; thus, structural-adjustment lending has provided a unique opportunity to achieve a more comprehensive and timely approach to policy reforms. For each country in which there has been astructural adjustment operation, the Bank has adjusted its program of project and sector lending to ensure that all components of Bank lending are mutually reinforcing and part of an integrated program.

Share in total lending. Commitments for structural adjustment represented 8 percent of the Bank and IDA total in fiscal 1981 and 9.5 percent in fiscal 1982. So far, the Bank has been able to develop structural adjustment programs in all countries that have been able to formulate programs and that wish their programs to be supported by the Bank. The Executive Directors on several occasions in the past have indicated that they did not wish nonproject lending to exceed 10 percent of total commitments. In this year's review, it was agreed that the 10 percent figure should continue be taken as a ceiling, but that the management of the Bank should exercise the right to raise the issue again with the Board if it were found that the ceiling was preventing the

Bank from undertaking its responsibilities effectively during the difficult years ahead for many developing countries.

Impact on the poorest. Two sets of measures frequently incorporated in structural adjustment programs -- the improvement of agricultural producer prices and the removal of present widespread biases in incentive systems in favor of capital-intensive industry and against exports -- tend to benefit the poor by increasing employment and rural incomes. However, countries introducing programs of reform not only confront reduced disposable incomes as a consequence of adverse movements in their terms of trade, but, in addition, they must ensure increased allocations of resources to both investment and the fuller use of existing capital investment in industry, agriculture, energy, and other sectors that can contribute to easing the balance-of-payments constraint. The Bank, therefore, has been concerned to ensure that in designing structural adjustment programs their impact on the poorest members of society and on programs of basic needs and human resource development are minimized.

Country Coverage. Finally, the progress report took note of the fact that only twelve of the Bank's some seventy-five active borrowers have, so far, concluded a structural adjustment lending agreement. Such limited country coverage, the report concluded, reflects the fact that this form of assistance is appropriate only in those cases in which there is not only an immediate or medium-term balance-of-payments problem, but also a government that is both able to formulate and implement a credible program of reforms and wishes to have Bank financial and technical support for its program. As a matter of Bank policy, no country is ineligible for structural adjustment lending only because it lacks the technical capacity to work out an adequate reform program. In such cases, the Bank remains ready to step up its country economic and sector work to assist in the design of suitable reforms. Furthermore, most structural-adjustment lending operations have been buttressed by a technical-assistance loan or credit to assist a government in both formulating and implementing programs of reform.

Structural Adjustment Loans Approved to June 30, 1982

($ million)

	Date of Approval	Amount	Disbursements
Kenya I	March 1980	55.0	55.0
Turkey I & Supplement	March 1980 November 1980	275.0	275.0
Bolivia	June 1980	50.0	50.0
Philippines	September 1980	200.0	200.0
Senegal	December 1980	60.0	40.0
Guyana	February 1981	22.0	7.0
Turkey II	May 1981	300.0	300.0
Mauritiius	May 1981	15.0	15.0
Malawi	June 1981	45.0	24.0
Ivory Coast	November 1981	150.0	48.5
Korea, Rep. of	December 1981	250.0	150.0
Thailand	March 1982	150.0	0.0
Jamaica	March 1982	76.2	40.6

CHAPTER FOUR: POLICIES AND ACTIVITIES

BORROWINGS AND FINANCE

Income, Expenditure, and Reserves: Bank

The Bank's gross revenues, generated primarily from its loans and investments, reached a total of $(0,000) million in fiscal 1982, (up) $(000) million or (00) percent from last year. Gross revenues have risen steadily during the last decade as loan and investment balances have continued to expand.

The outstanding loan portfolio totaled $(00,000) million at the end of the fiscal year, an (increase) of $(0,000) million over fiscal 1981. The average rate of return on outstanding loans, together with commitment charges on undisbursed loan balances, resulted in a yield of (0.0) percent on the Bank's loan portfolio, producing income of $(0,000) million. This compares with a rate of 8.1 percent and income of $2,164 million in fiscal 1981.

The Bank's lending rate policy is determined on the basis of a general guideline that provides for a spread of 1/2 of 1 percent above the cost of borrowing, which is estimated for a twelve-month period, using the actual cost of borrowing for the past six months and the estimated costs for the succeeding six months. Under the policy, the lending rate is adjusted at least once a year and more often, if necessary. The lending rate at the beginning of the fiscal year was 9.6 percent. On loans for which Board documentation was circulated after July 7, the lending rate was set at 10.6 percent. From September 1981 through the end of fiscal 1982, the lending rate was 11.6 percent.

Early in calendar 1982, the Bank introduced a front-end fee of 1.5 percent on new loan commitments. The measure was designed to forestall any potential decline in the Bank's income over the medium term as a result of adverse movements in interest rates and exchange rates. As income prospects may change under the influence of future interest-rate and exchange-rate movements, the new charge will be reviewed as necessary.

Bank borrowers have been offered the option of "capitalizing" the front-end fee, thus allowing the additional burden to be stretched over the life of the loan.

As fiscal 1982 ended, recommendations for futher changes in the Bank's lending policies -- changes that would permit the Bank to move away from fixed-rate lending, which might be deemed necessary if the Bank were to borrow at variable rates -- were placed before the Executive Directors for approval. Board discussion was scheduled for early in fiscal 1983.

The Bank aims at maintaining a liquid position of marketable short-term assets equal to 40 percent of estimated net cash requirements for the subsequent three years. This liquidity policy is designed to permit the Bank to meet adequately its cash requirements in case borrowing operations are temporarily affected by adverse conditions in the capital markets. At June 30, 1982, liquid assets aggregated \$(0,000) million net of commitments for settlements, an (increase) of \$(000) million over fiscal 1981. The Bank invests its liquid assets throughout the year. In fiscal 1982, these investments yielded an an average realized rate of return of (0.0) percent and generated $(000) million of investment income.

An additional $(00) million of revenues was derived from other income.

Expenditures of the Bank, which include administrative expenses, interest, and issuance costs on borrowings, totaled $(0,000) million, up (0.0) percent from last year. This increase was (well below) the 0.0 percent increase in revenues during the year. Costs associated with the Bank's increased borrowings -- interest of $(0,000) million and bond issuance charges and other financial expenses of $(00) million -- were by far the major expenditures. Administrative costs totaled $(000) million, up $(00) million, after deducting $(000) million for the management fee charged to the International Development Association, and $(0.0) million for the service and support fee charged to the International Finance Corporation.

Net income for fiscal 1982 was $(580) million, down $30 million from the year before. The 5 percent decline was due primarily to higher interest charges on Bank borrowings and to the appreciation of the US dollar, which led to a reduction in the value of nondollar components of the profit and loss statement.

During fiscal 1982, $(000) million was added to the General Reserve of the Bank, bringing the total to $(0,000) million. Of the $610 million in net income earned in fiscal 1981, $(000) million was allocated by the Board of Governors as a grant to IDA; the remaining $(000) million was allocated to the General Reserve.

The Bank does not trade in any currencies for its own account. Adjustments arising from translation of currencies to US dollar equivalents do not result in realized gains or losses as would occur with actual conversions into US dollars. Because of this, the General Reserve, rather than net income, is charged or credited annually with the amount of adjustment resulting from currency depreciations or appreciations. In fiscal 1982, the translation of currencies into US dollar equivalents resulted in a (debit) to the General Reserve of $(000) million, compared with $582 million debited in fiscal 1981. (A more detailed explanation is provided in the "Notes to Financial Statements.")

When gold was abolished in 1978 as a official denominator of the monetary system, the Bank began expressing its capital stock, for purposes of the financial statements, on the basis of the special drawing right (SDR). As a result, the 1 percent paid-in portion and the 9 percent portion of the capital stock released by certain member countries for lending in United States dollars are revalued at the rate of exchange of the US dollar to the SDR. The adjustment resulting from this revaluation is also charged against or credited to the General Reserve. In fiscal 1982, these adjustments resulted in a (credit) to the General Reserve of $(00) million, compared with $79 milion credited in fiscal 1981.

<u>Other Financial Operations: Bank</u>

As of June 30, 1982, the Bank held $(00,000) million worth of loans. This amount included $(0,000) million of loans approved, but which had not yet become effective, and $(000) million of loans to the International Finance Corporation. Loans disbursed and outstanding totaled $(00,000) million, including $(000) million to the IFC.

Disbursements on loans to countries totaled $(0,000) million in fiscal 1982, up $(000) million from last year. Since the Bank began operations, it has disbursed a total of $(00,000) million to its borrowing member countries.

Repayments of principal on the Bank's loans amounted to $(0,000) million in fiscal 1982. This included $(000) million to investors who had purchased portions of loans. Cumulative loan repayments as of June 30, 1982, were $(00,000) million: $(0,000) million to the Bank and $(0,000) million to purchasers of loans.

<u>Borrowings: Bank</u>

Borrowings in international capital markets provide a major portion of the funds necessary for the continued growth of the World Bank's lending operations and are supplemented by the other principal financial resources of the Bank, which are its paid-in capital, accumulated earnings, and loan repayments.

Total borrowings by the Bank in fiscal 1982 amounted to the equivalent of $(8,000) million. That amount was some $(3,000) million over fiscal 1981 totals. The higher amount reflects the Bank's increased cash-flow requirements resulting from increased disbursements, higher liquidity needs, and the shift of $800 million in commitments from IDA to the Bank that was aimed at making up, in part, for the shortfall in IDA commitment authority.

Of the $(8,000) million borrowed in fiscal 1982, $1,500 million was accounted for by public offerings in the US market from which the Bank had been absent since July 1977.

Given the interest-rate differentials between US dollar obligations and those in Swiss francs and Deutsche mark, and the size of the Bank's borrowing program, the Bank also engaged in several currency-hedged transactions, commonly referred to as currency swaps, during the year. These transactions are viewed as a means of increasing, not substituting, the Bank's direct access to Swiss francs and Deutsche mark, which it will continue to borrow directly in the capital markets of Switzerland and the Federal Republic of Germany. In fiscal 1982, the Bank executed hedged transactions aggregating $758 million, of which $198 million was swapped into Deutsche mark and $560 million into Swiss francs.

In a currency swap, the Bank borrows a high nominal-cost currency, converts the proceeds of the borrowing into low nominal-cost currencies, while at the same time fully hedging its position in the latter currency through a forward-exchange contract with a third party of the highest credit standing. The forward-exchange contract provides that on established dates, the Bank will pay to the third party an exact flow of the low nominal-cost currency in exchange for an exact flow of the high nominal-cost currency, thereby receiving, at a known cost, the currency required to service the Bank's original borrowing. These transactions result in the Bank's effectively having borrowed the low nominal-cost currency at a cost no greater than that which it would have paid had it borrowed this currency directly.

During fiscal year 1982, the Bank also executed its first US dollar/Swiss franc-linked bond issue. The purpose of the issue was to tap a market in which the obligation, while denominated in US dollars, would in effect offer the investor the benefit of a Swiss franc asset. The Bank offered the $100 Million Swiss Franc-Linked Bonds 1989 through a syndicate of international banks with Swiss Bank Corporation as lead manager and Credit Suisse and Union Bank of Switzerland as the other managers. The bonds and coupons were denominated in US dollars, but had a Swiss franc value based on the exchange rate established at the time of the offering. Although payments of interest and principal will be made in US dollars, the amount to be paid in each case will be the greater of the dollar face value of the coupons at the rate of 6-5/8 percent or of the bonds, or the dollar equivalent amount of the Swiss franc value stated on the coupons or the bonds.

By engaging in this type of transaction, the Bank was able to broaden the base of the Swiss franc market for its borrowings, achieve a lower coupon than the cost of a conventional Swiss franc issue, and reduce its issuance costs. From the investor's point of view, the appeal of the issue was enhanced from a traditional Swiss franc investment by guaranteeing a floor rate of exchange at the time of the issue. Further, the maturity, which was shorter than for traditional public issues denominated in Swiss francs, was of particular interest to Swiss franc-based investors. In addition, by enlarging the syndicate group to include non-Swiss banks, the market for the Bank's bonds was broadened.

As fiscal year 1982 ended, recommendations for changes in the Bank's borrowing practices -- to borrow short-term and on a floating-rate basis, thus relieving it from the pressure of borrowing large and ever-increasing amounts in the medium-term and long-term markets at fixed interest rates -- were placed before the Executive Directors for approval. Board discussion was scheduled for early in fiscal 1983.

The World Bank sells its securities through placement directly with governments, government agencies, and central banks, and in the public markets where securities are offered to investors through investment banking firms, merchant banks, or commercial banks. Of the (00) borrowing operations that the Bank conducted during fiscal 1982, (00) were public issues or private placements throughout the world and accounted for $(0,000.0) million, or (00) percent of total funds borrowed. The other (00) issues, totaling $(0,000.0) million, or (00) percent of the funds raised, were placed with official sources, namely, member governments of the World Bank, central banks, and government institutions.

The Bank's securities have been placed with investors in more than (00) countries in Africa, Asia, Australia, Europe, the MIddle East, and North and South America. This diversity allows the Bank flexibility in selecting the markets that will allow optimum borrowing conditions and lessens its dependence on any specific market.

The ($8,000) million borrowed by the Bank in fiscal 1982 consisted of the following currencies:

Of these borrowings $(0,000.0) million represented new funds, and $(0,000.0) million represented refinancing of outstanding borrowings.

A total of $(0,000.0) million equivalent of debt matured during the year. Additional debt, aggregating $(000.0) million, was retired by means of sinking fund and purchase fund operations.

Outstanding obligations of the Bank increased $(0,000) million to $(00,000) million as of June 30, 1982. These obligations were denominated in (00) different currencies and were placed with investors, including central banks and government institutions, in more than (00) countries. A summary classification of outstanding borrowings by principal source at June 30, 1982, is as follows:

Borrowing Costs: Bank

The cost of total borrowings by the Bank in the fiscal year, weighted by amount and maturity, averaged (0.0) percent, compared with 9.1 percent in the previous year. The cost in fiscal 1982, weighted by amount only, was (0.0) percent. The average cost of all funds to the Bank, including paid-in capital and accumulated earnings, was about

(0.0) percent. The cost of the Bank's average outstanding borrowings was (0.0) percent.

The cost of the Bank's average outstanding borrowings for each of the past six fiscal years is here summarized:

Capitalization

The capital stock of the Bank and the subscriptions thereto of its members are expressed, under the Articles of Agreement, in terms of the United States dollar of the weight and fineness in effect on July 1, 1944 (1944 dollars). Until 1971, the current United States dollar had the same value as the 1944 dollar and the special drawing right (SDR), which was instituted in 1969. In 1972, the current dollar value of the 1944 dollar and the SDR increased to $1.08571, and in 1973 to $1.20635, as the result of devaluations of the dollar. Until mid-1974, both the 1944 dollar and the SDR continued to be valued in gold and had the same gold value. Thus, on July 1, 1974, the value of the SDR, expressed in terms of United States dollars, was $1.20635, which was the equivalent of one 1944 dollar.

Since July 1, 1974, when a valuation method for the SDR that was based on a number of major currencies was adopted, the value of the SDR has fluctuated daily. The current dollar value of the 1944 dollar, on the other hand, was deemed to remain fixed at the rate established by the US par value legislation of 1973.

Since the effectiveness on April 1, 1978, of the Second Amendment to the Articles of Agreement of the International Monetary Fund (IMF), currencies no longer have par values, and the basis from translating the 1944 dollar into current United States dollars no longer exists. The Bank is examining the implication of this change on the valuation of its capital stock and the impact it will have on its financial statements.

For purposes of the financial statements, the Bank has expressed the value of its capital stock on the basis of the SDR in terms of United States dollars as computed by the IMF on June 30, 1982 ($0.00000 per SDR).

On January 4, 1980, the Bank´s Board of Governors adopted a resolution that increases the authorized capital stock of the Bank by 331,500 shares; this represents an increase of approximately $40,000 million. The resolution provides that the paid-in portion of the shares authorized to be subscribed under it will be 7.5 percent, compared with the 10 percent paid-in portion of existing capital stock. Subscribing members will be required to pay 0.75 percent of the subscription price in gold or United States dollars and 6.75 percent in their respective currencies. The Governors also adopted a resolution that increases the authorized capital stock by an additional 33,500 shares (representing a further increase of approximately $4,000 million) and that authorizes each member to subscribe to 250 shares of this additional capital, none of which will be paid in. Subscriptions authorized by these resolutions were accepted after September 1981. Increases in subscriptions authorized by the terms of these resolutions came from the following countries during the year:

Increases in subscriptions authorized by previous resolutions during the year came from the following countries:

Finances: IDA

The International Development Association (IDA) held a total of \$(00,000) million in credits on June 30, 1982, including \$(0,000) million approved but not yet effective and \$(000) million from exchange adjustments. Of the \$(00,000) million of effective credits, \$(0,000) million was undisbursed at the end of the year.

Disbursements totaled \$(0,000) million in fiscal 1982, compared with \$1,878 million last year. As of June 30, 1982, IDA had disbursed a total of \$(00,000) million.

Disbursements start only some time after approval of a project; IDA's expenses for its work on a project, on the other hand, are highest around the time of approval. It is mainly because the existing 0.75 percent annual service charge on IDA credits has been payable on the disbursed portions only of the credits, that IDA's income, since 1976, has fallen short of its expenses. To correct this imbalance, it was agreed in January 1982, that the service charge would henceforth be payable on the entire credit -- 0.75 percent on disbursed balances and 0.5 percent on undisbursed balances.

The total resources provided to IDA increased \$(0,000) million in the period, primarily from subscriptions and contributions to the Sixth Replenishment, which aggregated \$(000) million. The value of resources provided by members in prior fiscal years (decreased) by \$(000) million, mostly the result of currency depreciations. The World Bank granted \$(000) million to IDA from its fiscal 1981 net income, of which \$(00) million was for grants by IDA for agricultural research and onchocerciasis control.

Other resources that became available to IDA during the fiscal year totaled $(00) million, and were derived from releases by Part II countries and cancellations of and repayments on credits. For further information, see "Notes to Financial Statements."

Foreign and International Bonds: Calendar 1981

Bond markets continued to be strongly influenced by the tightening of credit in the United States that had begun the previous year. However, despite very high and volatile interest rates, there was a remarkable increase in borrowing in the external bond markets in 1981.

Total borrowing in the foreign and international bond markets[1] amounted to $47,799 million, compared with $38,002 million raised in 1980. Borrowing in the foreign bond market increased from $17,954 million in 1980 to $21,308 million in 1981 due to greater activity in the Japanese and United States capital markets. During the same period, international bond issues increased from $20,049 million to $26,491 million primarily because of an expansion of the dollar-denominated sector of the market.

Foreign Bonds. Foreign bonds totaled $21,308 million during 1981, 19 percent above the $17,954 million raised in 1980. About 70 percent of all foreign bonds, $14,910 million, were issued by industrial countries, while developing countries raised $1,228 million (6 percent), international organizations $5,044 million (24 percent), and borrowers unallocated by country $125 million (less than 1 percent).

Foreign issues on the United States capital market, totaling $7,576 million, were a little over two-and-one-half times the amount of those in the previous year. The largest amounts were raised by Canadian borrowers. The greater part of the issuing activity was in the first half of the year before borrowing costs had climbed to their highest

[1] 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 sold in more than one market simultaneously.

point in the third quarter. As these costs declined from October to early December, the flow of new issues, including three large operations by the World Bank and one each by the European Investment Bank and the Inter-American Development Bank, again became heavy.

The total of foreign bonds issues in Switzerland ($8,130 million), Japan ($2,735 million), and the Netherlands ($486 million) was substantially higher in 1981 than in recent years. While activity on these primary markets was fairly evenly distributed between the two halves of 1981, foreign issues on the United Kingdom market ($911 million), which also rose sharply in amount, were particularly heavy in the earlier part of the year when the cost of borrowing was declining. In contrast, foreign issues on the German market ($1,189 million) fell back in 1981 as investment demand was affected by the weakness of the Deutsche mark against the dollar.

During the year, foreign bonds were also issued in these capital markets: Luxembourg ($138 million), France ($90 million), and Belgium ($53 million).

International Bonds. International bonds totaled $26,491 million during 1981, 32 percent more than the $20,049 million raised in 1980.

Eighty-one percent of all international bonds ($21,557 million) were issued by developing countries. The largest amounts were raised by borrowers from the United States ($5,856 million), Canada ($5,018 million), Japan ($2,577 million), and France ($1,992 million).

Borrowing by developing countries during 1981 totaled $2,266 million, 67 percent more than the $1,353 million raised in 1980.

Thirteen developing countries raised funds during the year; the largest amounts were obtained by borrowers from Mexico ($1,562 million) and India ($137 million).

Eight international organizations raised $2,487 million. Over 50 percent of this total was raised by the World Bank, the most active borrower.

The volume of international bonds denominated in United States dollars increased from $13,299 million in 1980 to $21,252 million in 1981. Other currencies used in the international market during 1981 were: the Deutsche mark ($1,377 million), the Canadian dollar ($687 million), the pound sterling ($538 million), the French franc ($533 million), the Netherlands guilder ($416 million), the Japanese yen ($408 million), the Kuwaiti dinar ($387 million), the special drawing right ($386 million), the European currency unit (ECU)[2] ($241 million), the European unit of account (EUA)[2] ($126 million), the Norwegian krone ($53 million), gold ($52 million), and the Singapore dollar ($36 million).

Eurocurrency Credits: Calendar 1981

The volume of syndicated loans was nearly double the previous year's level, owing primarily to the billion-dollar credits arranged for the United States corporations involved in a flurry of takeover activities. Altogether, $145,300 million was raised in 1981, an increase of 82 percent over the $79,900 million level in 1980. The industrial countries held 65 percent ($94,500 million), the largest share of total volume, while developing countries accounted for 34

[2]Composite Currency Units (ECU + EUA). There have been numerous attempts to establish a stable medium in which to denominate Euro-securities. Two of the most widely known composite curency units are the European Currency Unit (ECU) and the European Unit of Account (EUA).

The ECU is based on currencies of five member countries of the European Economic Community (EEC): France, Federal Republic of Germany, Italy, Luxembourg, and the Netherlands. The EUA is based on currencies of nine member countries: Belgium, Denmark, France, Federal Republic of Germany, Ireland, Italy, Luxembourg, Netherlands, and the United Kingdom.

The European Currency Unit (ECU): When all currencies in a contract depreciate, but in different proportions, the obligations of the borrower fluctuate in the same proportion as the currency that has depreciated the least; however, when all currencies in a contract appreciate, but in different proportions, the obligations of the borrower appreciate in the same degree as the currency that appreciated the most.

The European Unit of Account (EUA) Like the ECU, when all currencies in a contract depreciate, but in different proportions, the obligations of the borrower fluctuate in the same proportion as the currency that has depreciated the least. However, when all currencies in a contract appreciate, but in different proportions, the obligations of the borrower appreciate only by the same amount as the currency that appreciated the least.

percent ($49,500 million) and nonmarket economies[3] for 0.8 percent ($1,200 million).

Among the developing countries, Mexico ($10,500 million), Brazil ($7,100 million), the Republic of Korea ($3,100 million), and Argentina ($2,900 million) were the most active borrowers. Eurocredit transactions for industrial countries were dominated by the United States ($58,200 million), followed by Italy ($7,100 million), Canada ($5,900 million), Spain ($4,400 million), and France ($3,800 million). Along with the rescheduling of the Polish debt, the economic climate in Eastern Europe dampened borrowing activity in the area. The total raised in 1981 by nonmarket economies and organizations was $1,200 million, a 47 percent decrease from the 1980 volume.

Industrial countries continued to receive favorable credit conditions. Several entities in Asian countries were also granted fine credit terms, primarily due to the intense competition of Eurobanks in the region. An additional factor was that countries such as Malaysia, Indonesia, and Papua New Guinea possess natural resources, which improves their credit standing. Several Euroloans for these countries carried spreads in the 0.375 percent to 0.625 percent range.

In the Latin American region, high interest rates in the United States and lower commodity prices in world markets took their toll on heavy borrowers. Bankers were careful about lending to countries in the region. Argentina, beset with a troubled economy, had to accept tougher credit terms. Meanwhile, higher costs on Mexican credits reflected the concern about Mexico's level of debt in the midst of falling oil

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[3] The nonmarket economies (also referred to as nonmarket industrial economies or nonmarket countries) include these developed European countries: USSR, Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, and Poland.

revenues. During the last quarter of the year, spreads on Mexican credits ranged from 0.625 percent to 1.625 percent. Among the most active borrowers in the region, Brazil faced the highest margins. The average weighted spread on Brazilian Euroloans was 2.02 percent.

Borrowing requirements also increased for another oil producer, Nigeria. Debt service in a period of high interest rates compounded the problem of lower income from its oil production.

Although a major percentage of all Euroloans still used the traditional LIBOR (London Interbank Offered Rate) as a base rate, a wide variety of base rates (and combinations) appeared in 1981. The United States prime rate, applied either as the single base rate or as an option, continued to be popular as several borrowers used this method to encourage participation of regional banks in the United States. Currencies for denominating Eurocredits were also diverse, including the use of the European currency unit by the Credit National of France.

Foreign and International Bonds: First Quarter, 1982

Borrowing in the foreign and international bond markets during the first quarter of 1982 totaled $19,096 million, as compared with $8,207 million raised in the first quarter of 1981. In the foreign bond market, borrowing increased from $3,865 million in the first quarter of 1981 to $6,404 million during the same period in 1982. Similarly, borrowing in the international bond market increased from $4,342 million in the first three months of 1981 to $12,692 million during the first quarter of 1982.

Foreign Bonds. Foreign bonds issued in the United States market during the first three months of 1982 totaled $700 million. The entire amount was raised by Canadian borrowers.

Foreign bonds issued in Switzerland amounted to $3,133 million, or 49 percent of all foreign bonds. The largest amounts were secured by borrowers from Canada ($689 million), Japan ($640 million), and the United States ($381 million).

Borrowing in the Japanese capital markets totaled $995 million. The largest amounts were raised by borrowers from New Zealand, Sweden, and Finland ($87 million each).

Foreign bonds issued in the German capital market amounted to $614 million. The largest amounts were raised by the European Investment Bank ($108 million), the European Economic Community ($85 million), and Australia ($85 million).

International Bonds. About 86 percent of all international bonds ($10,944 million) were issued by borrowers from industrial countries. Borrowers from the United States ($3,727 million), France ($1,785 million), Canada ($1,636 million), and Japan ($1,116 million) were the most active.

Developing countries raised $1,089 million or about 9 percent of total international bonds, while international organizations borrowed $640 million or about 5 percent.

Eighty-four percent ($10,716 million) of all international bonds were denominated in United States dollars. Other currencies used in the international market during the first three months of 1982 were: the Deutsche mark ($796 million), the Canadian dollar ($458 million), the

Japanese yen ($300 million), the pound sterling ($154 million), the European currency unit ($102 million), the Netherlands guilder ($87 million), the Kuwaiti dinar ($67 million), and the European unit of account ($12 million).

Eurocurrency Credits: First quarter 1982

The total volume of Eurocurrency credits arranged during the first quarter of 1982, reached $20,400 million, of which industrial countries accounted for $10,900 million, developing countries $9,000 million, nonmarket economies $100 million, and international organizations $400 million.

Syndicated loan activity was 20 percent higher during the first quarter of 1982 than during the comparative period in 1981; industrial countries increased their borrowing by 28 percent and developing countries raised their borrowing by 10.4 percent.

Among the industrial countries, the most active borrowers were Australia ($2,500 million), Canada ($1,800 million), the United States ($1,700 million), Italy ($1,400 million), and the United Kingdom ($700 million). Borrowing activity among developing countries was led by Venezuela ($1,600 million), Argentina ($1,200 million), Mexico ($800 million), Malaysia ($600 million), and the Republic of Korea ($600 million).

Conditions in the Eurocurrency credit markets during the latter part of 1981 extended into the first quarter of 1982. Spreads on Mexican credits continued an upward climb. Loans during the first months of the year carried margins in the 0.5 percent to 1.875 percent range, the upper end of the spectrum applying to private-sector loans. Some borrowers obtained terms similar to those granted to especially creditworthy industrial countries. The Kingdom of Thailand raised a $50 million, eight-year credit at an 0.5 percent margin over LIBOR. The Malaysian LNG entity completed a $250 million two-tranche credit; the first tranche carried terms of an eight-year maturity and a margin of 0.375 percent over LIBOR, while the second tranche was a tax-spared deal with an 0.0625 percent spread over LIBOR.

Toward the end of the first quarter of 1982, a $300 million loan for the Government of Indonesia was being arranged. This loan featured a ten-year maturity and an 0.375 percent spread over LIBOR. Although such fine terms seem prevalent in this region, bankers expect spreads to rise for other countries that are reaching the lending ceiling that Banks apply to frequent borrowers.

At the end of March, the six-month Eurodollar deposit rate reached 15.44 percent, a steady climb from 15.00 percent in January.

STATISTICAL ANNEX

General Notes to Annex Tables

The tables of this Annex present data on selected economic indicators and external public debt. As in past Annual Reports, most of the tables are organized on geographic lines.

In Table 1, the basic series on selected economic indicators is based on data stored in the IBRD Socioeconomic Data Bank, which are mainly obtained from World Bank country economic reports, supplemented by data from national and other international publications. The indicators presented in this table are the same as those of last year.

In Tables 2 through 7, the principal source of data on external debt is information received by the World 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 and publicized Eurocurrency credits. The notes on the debt of China, Iran, Iraq, the Philippines, and Yugoslavia in Table 2 apply to all Tables 2 through 7.

The 97 countries included in the debt tables are those for which reporting on external public debt is sufficient for a reliable presentation of debt outstanding and future service payments. The classification by geographical region is as follows:

Africa South of the Sahara -- Benin, Botswana, Burundi, Cameroon, Central African Republic, Chad, Comoros, Congo (People's Republic of the), Ethiopia, Gabon, Gambia (The), Ghana, Guinea, Ivory Coast, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Niger, Nigeria, Rwanda, Senegal, Seychelles, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Togo, Uganda, Upper Volta, Zaire, Zambia, Zimbabwe (and the East African Community).

East Asia and Pacific -- Fiji, Hong Kong,[1] Indonesia, Korea (Republic of), Malaysia, Papua New Guinea, Philippines, Singapore, Solomon Islands, Thailand, Western Samoa.

Latin America and the Caribbean -- Argentina, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay, Venezuela.

North Africa and Middle East -- Algeria, Egypt (Arab Republic of), Jordan, Lebanon, Morocco, Oman, Syrian Arab Republic, Tunisia, Yemen Arab Republic, Yemen (People's Democratic Republic of).

South Asia -- Afghanistan,[2] Bangladesh, Burma, India, Maldives, Nepal, Pakistan, Sri Lanka.

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1 Hong Kong is a nonmetropolitan territory in respect of which the United Kingdom has accepted the Bank's Articles of Agreement.

2 Note that in these tables Afghanistan is classified under South Asia, while in the discussion of the year's activities by region, it is classified under Europe, Middle East, and North Africa.

<u>More advanced Mediterranean countries</u> -- Cyprus, Greece, Israel, Malta, Portugal, Turkey, Yugoslavia.

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.

The World 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. Therefore, a comparison with the debt tables in the <u>1981 Annual Report</u> will show changes in data given for past years. The current <u>Annual Report</u> should be regarded as the more reliable. Users of the aggregate tables on external public debt should be particularly careful in making comparisons with past <u>Annual Reports</u>, as the coverage has changed over the years.

In Table 4, debt-service ratios represent service payments (amortization plus interest) on external public debt as a percentage of the exports of goods and all services. The debt-service figures used in the present table are those for <u>actual</u> (not contractual) debt service paid during the year. The International Monetary Fund (IMF) is the source of export figures;

the debt-service ratios are calculated for those countries and years for which these data are available.

The debt-service ratio, by itself, is an inadequate and incomplete indicator of the debt situation, and international comparisons of these ratios have only limited analytical value. Many other factors, such as the stability and diversification of exports, the extent to which imports can be reduced without adversely affecting the prospects for future growth, the size of foreign exchange reserves and available compensatory financing facilities, and the past debt-service record jointly will determine a country's capacity to service debt. Further, external public debt constitutes only a part of the total indebtedness and, in some cases, it may understate substantially the burden of indebtedness. The public debt-service ratio, therefore, is only an indicator of the importance of debt service in the total foreign exchange situation.

In Table 6, net flow is defined as disbursements on loans, grants, and grantlike loans, minus amortization on loans. Net transfer is net flow minus interest on loans.

In Table 7, grant element is defined as the face value of a loan commitment less the discounted present value of the future flow of payments of principal and interest, expressed as a percentage of the face value. The discount rate used is 10 percent, the conventional rate used by the Organisation for Economic Co-operation and Development (OECD) in assessing terms.

In Tables 6 and 7, the source of data for grants is the OECD. For grantlike loans, the data sources are the OECD and the Inter-American Development Bank (IDB). Grants consist of grant and grantlike (loans disbursed in foreign and repayable in local currency) contributions; they are on a disbursement basis in both tables. The grants included in these tables comprise: (1) contributions by countries that are members of the Development Assistance Committee (DAC) of the OECD; (2) grants by multilateral agencies as compiled by the OECD; (3) disbursements in foreign currency by the IDB on loans repayable in local currencies. Grants of technical assistance have been excluded. Data for grants do not include grants from bilateral donors other than DAC countries, although grants from other sources may have been large in some cases. However, debt data include obligations to creditors of all nationalities.

Data on external public debt are converted to U.S. dollars at current market rates. Capital flows and service payments are converted to U.S. dollars at an average rate for each year. However, debts repayable in multiple currencies, goods, or services, and debt that has a provision for maintenance of value of the currency of repayment, are shown at their book value. Projected debt service was converted to U.S. dollars at end-1980 rates.

Selected Economic Indicators, Regional Summary

Table 1
page 1

Average annual real growth and shares in Gross National Product (GNP)
1961-70, 1971-77, 1978, 1979, 1980, and 1981
(Percentages)

Region Indicator	1961-70	1971-77	1978	1979	1980	1981(P)
All developing regions						
Real rate of growth						
Total GNP	5.8	6.0	5.9	4.8	5.0	2.2
Agricultural production	3.0	2.8	3.9	1.6	2.0	4.1
Manufacturing production	8.1	7.7	9.2	7.3	4.8	n.a.
Population	2.3	2.3	2.0	2.0	2.0	2.1
GNP per capita	3.5	3.6	3.8	2.8	3.0	0.2
Gross investment	7.7	10.2	7.7	3.4	5.3	n.a.
Share in GNP						
Gross investment	20.7	24.4	26.9	26.3	26.2	n.a.
Gross national savings	18.0	23.2	25.8	26.4	25.6	n.a.
Africa South of the Sahara						
Real rate of growth						
Total GNP	4.7	4.9	2.5	1.5	2.8	2.2
Agricultural production	2.3	1.2	2.7	0.8	2.0	3.6
Manufacturing production	8.3	5.5	8.2	4.9	8.4	n.a.
Population	2.5	2.7	2.7	2.7	2.7	2.9
GNP per capita	2.1	2.1	-0.2	-1.1	0.0	-0.7
Gross investment	7.3	11.5	-3.6	1.3	11.5	-1.3
Share in GNP						
Gross investment	18.8	23.1	22.3	21.4	24.3	n.a.
Gross national savings	13.4	19.6	19.5	22.5	23.5	n.a.
East Asia and Pacific						
Real rate of growth						
Total GNP	7.3	6.6	10.9	7.5	5.8	5.5
Agricultural production	4.6	3.5	5.4	4.4	-0.1	4.7
Manufacturing production	10.3	10.0	16.2	10.2	7.2	5.8
Population	2.1	2.1	1.6	1.6	1.5	1.5
GNP per capita	5.1	4.4	9.2	5.9	4.3	3.9
Gross investment	11.7	7.9	24.2	7.2	1.8	6.3
Share in GNP						
Gross investment	22.7	28.2	31.2	31.3	30.4	30.3
Gross national savings	13.7	22.3	30.5	30.7	25.7	24.0
Latin America and the Caribbean						
Real rate of growth						
Total GNP	5.5	6.0	3.4	5.9	5.3	-0.4
Agricultural production	3.2	3.2	3.5	3.5	3.6	4.8
Manufacturing production	6.5	6.7	3.5	7.1	3.4	n.a.
Population	2.8	2.5	2.3	2.3	2.3	2.4
GNP per capita	2.6	3.3	1.1	3.5	3.0	-2.7
Gross investment	6.6	8.3	0.3	4.8	6.4	-1.9
Share in GNP						
Gross investment	20.4	23.8	24.5	23.9	23.8	22.1
Gross national savings	19.4	21.6	21.5	21.5	20.0	18.7
North Africa and Middle East						
Real rate of growth						
Total GNP	7.7	8.5	6.6	8.5	6.8	0.6
Agricultural production	1.6	2.2	8.0	-1.1	2.9	-2.9
Manufacturing production	8.1	8.1	8.8	5.6	8.8	n.a.
Population	2.6	2.8	3.1	3.2	3.2	3.0
GNP per capita	5.1	5.5	3.4	5.1	3.5	-2.3
Gross investment	4.4	21.6	8.9	-3.3	10.0	n.a.
Share in GNP						
Gross investment	22.6	24.0	33.3	29.0	27.0	n.a.
Gross national savings	26.6	42.6	42.7	43.6	49.5	n.a.

Table 1

Region Indicator	1961-70	1971-77	1978	1979	1980	1981(P)
South Asia						
Real rate of growth						
Total GNP	4.3	3.9	7.2	-3.1	6.6	5.9
Agricultural production	2.5	2.9	3.2	-4.3	4.6	5.8
Manufacturing production	6.5	4.7	10.7	0.5	3.9	8.3
Population	2.4	2.3	2.2	2.2	2.2	2.3
GNP per capita	1.9	1.6	4.9	-5.2	4.3	3.5
Gross investment	5.4	4.6	17.6	-3.5	9.8	6.7
Share in GNP						
Gross investment	17.2	18.5	21.5	21.6	22.1	23.3
Gross national savings	14.0	16.6	20.0	18.5	17.9	19.7
More advanced Mediterranean countries						
Real rate of growth						
Total GNP	6.6	6.0	5.4	2.5	1.2	2.4
Agricultural production	3.4	2.9	2.1	2.7	1.0	0.2
Manufacturing production	9.4	7.3	8.4	4.2	0.2	-0.2
Population	1.5	1.7	1.6	1.6	1.6	1.6
GNP per capita	5.0	4.2	3.7	0.9	-0.4	0.9
Gross investment	8.0	8.1	-1.0	7.3	-3.1	-0.2
Share in GNP						
Gross investment	23.7	26.2	28.0	29.0	28.6	26.8
Gross national savings	19.6	19.7	21.3	21.6	21.0	n.a.
Industrialized countries						
Real rate of growth						
Total GNP	5.0	3.5	4.0	3.3	1.2	1.3
Agricultural production	1.7	2.2	1.8	2.8	-0.9	1.8
Manufacturing production	6.0	2.8	3.6	5.0	-0.5	0.3
Population	1.1	0.8	0.6	0.6	0.7	0.5
GNP per capita	3.9	2.6	3.4	2.6	0.6	0.8
Gross investment	6.8	2.0	4.9	5.5	-2.2	0.0
Share in GNP						
Gross investment	23.2	23.2	22.0	22.7	22.1	n.a.
Gross national savings	23.9	23.7	22.6	22.5	21.7	n.a.

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

Industrialized countries - Australia, Austria, Belgium, Canada, Denmark, Finland, France, Federal Republic of Germany, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, United Kingdom, United States.

Developing countries or other areas - Those listed in the "General Notes to Annex Tables" and those listed below:

Africa South of the Sahara - South Africa, Zimbabwe.
East Asia and Pacific - China, Solomon Islands.
Latin American and the Caribbean - Bahamas, Grenada.
North Africa and Middle East - Kuwait, Libya, Qatar, Saudi Arabia, United Arab Emirates.

(P) Preliminary.

Source: World Bank.

EXTERNAL PUBLIC DEBT OUTSTANDING
(INCLUDING UNDISBURSED), BY REGION, 1974 - 1980
(US$ MILLIONS)

YEAR / TYPE OF CREDITOR	AFRICA SOUTH OF THE SAHARA	EAST ASIA[1] AND PACIFIC	LATIN AMERICA AND THE CARIBBEAN	NORTH[2] AFRICA AND MIDDLE EAST	SOUTH ASIA	MORE[3] ADVANCED MEDITERRANEAN COUNTRIES	TOTAL
TOTAL DEBT OUTSTANDING END OF YEAR							
1974	18,911.8	21,838.5	49,012.4	16,544.7	26,152.6	17,462.2	149,922.2
1975	21,948.2	27,456.4	59,042.3	24,908.3	28,372.3	19,307.8	181,035.3
1976	26,005.4	35,939.6	77,464.6	31,766.3	31,004.9	22,587.1	224,767.9
1977	31,824.6	42,929.5	97,161.6	42,874.2	35,466.4	26,470.5	276,726.9
1978	40,888.9	54,883.0	122,624.5	54,051.1	40,159.5	33,412.0	346,018.9
1979	51,300.9	61,642.8	145,932.1	62,302.4	42,262.0	41,475.5	404,915.7
1980	55,759.9	72,965.9	159,427.0	64,477.9	49,932.9	47,824.1	450,387.7
DEBT OUTSTANDING BY TYPE OF CREDITOR							
DECEMBER 31, 1974							
BILATERAL OFFICIAL	8,844.5	9,403.6	11,880.6	8,647.2	18,519.0	8,024.7	65,319.5
MULTILATERAL	4,227.5	4,380.6	9,805.1	1,627.0	6,320.1	2,834.3	29,194.6
PRIVATE							
SUPPLIERS	2,150.0	3,953.0	5,865.7	3,111.5	1,078.7	950.0	17,109.0
FINANCIAL INSTITUTIONS	2,842.4	3,538.7	18,473.7	2,933.1	220.8	3,435.1	31,443.8
OTHER	847.4	562.6	2,987.4	226.0	14.0	2,218.0	6,855.3
TOTAL	18,911.8	21,838.5	49,012.4	16,544.7	26,152.6	17,462.2	149,922.2
DECEMBER 31, 1975							
BILATERAL OFFICIAL	9,656.2	10,249.2	12,681.4	12,392.7	19,467.5	8,823.0	73,270.0
MULTILATERAL	5,571.8	5,710.8	11,844.8	2,171.7	7,714.8	3,341.2	36,355.0
PRIVATE							
SUPPLIERS	2,689.8	4,123.4	6,341.0	5,138.6	902.9	924.8	20,120.5
FINANCIAL INSTITUTIONS	3,407.2	6,845.8	25,102.8	4,963.6	285.1	3,929.4	44,533.9
OTHER	623.3	527.2	3,072.4	241.7	2.0	2,289.3	6,755.9
TOTAL	21,948.2	27,456.4	59,042.3	24,908.3	28,372.3	19,307.8	181,035.3
DECEMBER 31, 1976							
BILATERAL OFFICIAL	11,147.1	12,517.9	15,497.2	15,382.1	21,099.9	10,223.4	85,867.6
MULTILATERAL	6,767.5	7,481.8	14,364.2	3,039.7	8,662.4	3,865.3	44,180.9
PRIVATE							
SUPPLIERS	3,105.2	5,261.7	6,975.0	5,581.9	881.4	1,143.4	22,948.6
FINANCIAL INSTITUTIONS	4,680.0	9,613.2	36,128.0	7,463.5	359.1	5,072.3	63,316.1
OTHER	305.7	1,064.9	4,500.3	299.0	2.1	2,282.7	8,454.6
TOTAL	26,005.4	35,939.6	77,464.6	31,766.3	31,004.9	22,587.1	224,767.9

EXTERNAL PUBLIC DEBT OUTSTANDING
(INCLUDING UNDISBURSED), BY REGION, 1974 - 1980
(US$ MILLIONS)

TABLE 2

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YEAR TYPE OF CREDITOR	AFRICA SOUTH OF THE SAHARA	EAST ASIA AND PACIFIC	LATIN AMERICA AND THE CARIBBEAN	NORTH AFRICA AND MIDDLE EAST	SOUTH ASIA	MORE ADVANCED MEDITERRANEAN COUNTRIES	TOTAL
DECEMBER 31, 1977							
BILATERAL OFFICIAL	13,196.7	14,908.2	16,838.8	19,271.6	23,622.2	12,202.2	100,039.6
MULTILATERAL	8,371.5	9,373.3	16,634.0	5,969.5	10,484.4	4,588.7	55,421.3
PRIVATE							
SUPPLIERS	3,750.2	5,914.0	7,809.0	6,621.1	903.2	1,403.9	26,401.4
FINANCIAL INSTITUTIONS	6,202.1	11,240.5	48,996.1	10,575.9	454.6	5,952.2	83,421.4
OTHER	304.0	1,493.6	6,883.8	436.1	2.1	2,323.4	11,443.1
TOTAL	31,824.6	42,929.5	97,161.6	42,874.2	35,466.4	26,470.5	276,726.9
DECEMBER 31, 1978							
BILATERAL OFFICIAL	15,796.8	18,618.4	18,722.7	23,102.1	25,442.8	16,235.1	117,918.0
MULTILATERAL	10,281.0	12,295.6	19,989.0	6,959.0	13,290.7	5,898.6	68,713.9
PRIVATE							
SUPPLIERS	4,109.7	6,519.5	8,830.5	7,274.6	922.9	1,541.8	29,198.9
FINANCIAL INSTITUTIONS	10,175.2	15,307.6	65,534.8	16,124.6	500.9	7,458.7	115,101.9
OTHER	526.2	2,141.8	9,547.4	590.8	2.2	2,277.8	15,086.2
TOTAL	40,888.9	54,883.0	122,624.5	54,051.1	40,159.5	33,412.0	346,018.9
DECEMBER 31, 1979							
BILATERAL OFFICIAL	19,177.8	19,603.6	19,232.7	25,981.8	25,482.0	19,138.8	128,616.7
MULTILATERAL	12,669.7	14,699.8	24,132.0	8,484.0	15,213.7	6,943.6	82,142.7
PRIVATE							
SUPPLIERS	4,174.5	5,937.5	9,985.9	7,304.9	848.8	1,432.8	29,684.4
FINANCIAL INSTITUTIONS	14,526.9	19,196.2	82,734.7	19,796.5	715.3	11,688.1	148,657.7
OTHER	752.0	2,205.8	9,846.8	735.2	2.2	2,272.2	15,814.2
TOTAL	51,300.9	61,642.8	145,932.1	62,302.4	42,262.0	41,475.5	404,915.7
DECEMBER 31, 1980							
BILATERAL OFFICIAL	20,705.0	23,771.5	20,652.0	28,104.9	27,301.6	20,738.0	141,272.9
MULTILATERAL	15,237.6	17,596.0	27,693.8	9,702.3	19,557.1	8,117.7	97,904.4
PRIVATE							
SUPPLIERS	3,563.3	5,828.2	9,864.0	7,246.2	813.5	2,198.5	29,513.8
FINANCIAL INSTITUTIONS	15,530.8	23,423.7	89,362.4	18,744.5	2,228.6	14,224.0	163,513.9
OTHER	723.1	2,346.5	11,854.8	680.0	32.2	2,546.0	18,182.6
TOTAL	55,759.9	72,965.9	159,427.0	64,477.9	49,932.9	47,824.1	450,387.7

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NOTE: INFORMATION ON THE SOURCES, DEFINITIONS, COVERAGE, AND INTERPRETATION OF THE DATA IS GIVEN IN THE 'GENERAL NOTES TO ANNEX TABLES'. ITEMS MAY NOT ADD TO TOTALS DUE TO ROUNDING.

1 DOES NOT INCLUDE PUBLICLY GUARANTEED PRIVATE DEBT OF THE PHILIPPINES, ESTIMATED AT $485.7 MILLION AS OF END-1980. DATA FOR CHINA ARE NOT AVAILABLE.

2 DATA FOR IRAN AND IRAQ ARE NOT AVAILABLE.

3 DOES NOT INCLUDE NON-PUBLIC GUARANTEED DEBT OF THE 'SOCIAL SECTOR' OF YUGOSLAVIA CONTRACTED AFTER MARCH 31, 1966.

SOURCE: WORLD BANK.

EXTERNAL PUBLIC DEBT OUTSTANDING,
BY COUNTRY AND TYPE OF CREDITOR, DECEMBER 31, 1980
(US$ MILLIONS)

TABLE 3

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REGION COUNTRY or other area	EXTERNAL PUBLIC DEBT OUTSTANDING						
		INCLUDING UNDISBURSED					
	DISBURSED ONLY	TOTAL	BILATERAL OFFICIAL	MULTILA-TERAL	SUPPLIERS	FINANCIAL INSTITUTIONS	OTHER
AFRICA SOUTH OF THE SAHARA							
BENIN	261.7	718.7	132.4	197.8	21.3	367.2	-
BOTSWANA	148.5	270.4	79.1	156.4	2.4	30.0	2.5
BURUNDI	137.2	292.3	100.5	183.5	3.6	4.7	-
CAMEROON	2,002.3	2,609.7	963.1	737.2	130.0	779.4	-
CENTRAL AFRICAN REPUBLIC	155.3	211.3	73.5	96.7	38.9	2.2	-
CHAD	159.3	231.2	91.1	118.9	17.2	4.0	-
COMOROS	50.4	95.2	42.0	52.8	-	0.4	-
CONGO, PEOPLE'S REPUBLIC OF THE	897.8	1,086.8	573.8	187.0	88.2	237.9	-
EAST AFRICAN COMMUNITY	289.4	295.8	71.9	183.0	5.0	-	35.8
ETHIOPIA	728.4	1,061.5	473.1	551.0	22.4	15.0	-
GABON	1,259.3	1,552.3	368.3	73.5	144.0	961.6	4.9
GAMBIA, THE	85.1	218.3	85.4	109.1	8.9	14.8	-
GHANA	1,010.5	1,306.4	613.8	482.7	202.7	7.2	-
GUINEA	1,074.0	1,747.7	1,134.0	293.1	265.7	54.9	-
IVORY COAST	4,265.3	5,469.5	794.3	935.5	578.5	3,134.6	26.5
KENYA	1,744.5	3,058.6	985.8	1,407.7	103.1	551.7	10.4
LESOTHO	70.8	193.7	11.8	152.6	-	29.4	-
LIBERIA	537.4	743.0	306.9	281.9	15.6	138.5	-
MADAGASCAR	1,035.1	1,552.0	640.1	414.8	178.8	316.9	1.3
MALAWI	634.0	804.8	212.7	351.4	89.3	149.9	1.5
MALI	621.1	852.6	500.5	332.8	8.4	10.9	-
MAURITANIA	713.8	1,361.7	878.6	339.0	80.1	54.0	10.0
MAURITIUS	296.1	475.7	173.0	166.3	5.6	130.8	-
NIGER	398.7	825.9	267.4	302.5	52.4	203.7	-
NIGERIA	4,997.0	7,147.8	657.8	1,291.4	19.4	5,179.2	-
RWANDA	158.1	272.3	74.7	197.3	0.3	-	-
SENEGAL	905.6	1,530.9	642.2	527.8	63.4	295.5	2.0
SEYCHELLES	25.3	42.3	31.9	10.5	-	-	-
SIERRA LEONE	343.9	402.3	144.2	141.3	95.6	21.2	-
SOMALIA	688.0	1,093.8	693.3	400.5	-	-	-
SUDAN	3,125.8	4,951.4	2,664.8	1,200.3	375.0	711.4	-
SWAZILAND	162.7	230.9	92.5	114.3	0.4	23.9	-
TANZANIA	1,360.3	2,258.3	1,024.1	1,079.9	15.3	127.3	11.7
TOGO	907.2	1,026.5	401.2	205.8	67.6	351.8	-
UGANDA	669.0	954.9	477.9	262.9	122.9	89.7	1.5
UPPER VOLTA	323.0	508.0	221.2	272.0	0.7	14.1	-
ZAIRE	4,190.2	4,923.9	2,458.6	725.7	572.4	1,161.0	6.2
ZAMBIA	1,814.8	2,631.9	1,424.7	695.4	168.1	322.5	21.3
ZIMBABWE	698.5	749.3	122.9	5.3	-	33.6	587.5
TOTAL	38,945.2	55,759.9	20,705.0	15,237.6	3,563.3	15,530.8	723.1

EXTERNAL PUBLIC DEBT OUTSTANDING,
BY COUNTRY AND TYPE OF CREDITOR, DECEMBER 31, 1980
(US$ MILLIONS)

REGION COUNTRY or other area	EXTERNAL PUBLIC DEBT OUTSTANDING DISBURSED ONLY	INCLUDING UNDISBURSED TOTAL	BILATERAL OFFICIAL	MULTILA-TERAL	SUPPLIERS	FINANCIAL INSTITUTIONS	OTHER
EAST ASIA AND PACIFIC							
FIJI	174.3	292.9	110.0	133.4	5.9	41.0	2.5
HONG KONG	436.0	695.7	-	83.8	83.6	528.3	-
INDONESIA	14,940.3	23,828.9	11,152.2	4,991.8	1,693.8	5,597.7	393.3
KOREA, REPUBLIC OF	16,274.3	23,289.5	6,611.1	3,804.1	3,099.3	9,525.7	249.3
MALAYSIA	3,103.4	4,696.3	1,158.0	1,465.9	85.5	1,680.7	306.3
PAPUA NEW GUINEA	506.6	625.3	58.4	273.2	1.7	210.9	81.2
PHILIPPINES	6,402.2	10,532.5	2,093.5	3,814.4	478.3	3,249.8	896.4
SINGAPORE	1,369.4	1,656.9	418.0	221.9	239.4	444.0	333.7
SOLOMON ISLANDS	7.6	12.7	0.5	12.2	-	-	-
THAILAND	4,063.4	7,266.8	2,157.4	2,747.5	140.6	2,142.0	79.3
WESTERN SAMOA	55.0	68.5	12.5	47.8	0.3	3.5	4.5
TOTAL	47,332.4	72,965.9	23,771.5	17,596.0	5,828.2	23,423.7	2,346.5
LATIN AMERICA AND THE CARIBBEAN							
ARGENTINA	10,284.8	12,249.2	946.8	2,259.7	1,844.7	6,361.7	836.2
BARBADOS	78.5	154.6	29.2	108.2	0.1	17.0	-
BOLIVIA	2,124.4	2,943.9	927.8	893.8	141.4	919.1	61.7
BRAZIL	37,824.1	51,458.6	5,427.6	6,523.6	4,391.9	31,711.7	3,403.8
CHILE	4,885.4	5,249.8	1,232.4	522.0	446.9	2,798.8	249.6
COLOMBIA	4,047.1	6,455.6	1,253.3	2,891.3	509.1	1,766.0	35.9
COSTA RICA	1,584.7	2,414.8	396.6	940.3	58.0	910.3	109.6
DOMINICAN REPUBLIC	1,185.9	1,750.0	651.5	584.1	3.3	511.1	-
ECUADOR	2,654.8	3,679.8	395.3	960.1	306.3	1,962.8	55.4
EL SALVADOR	509.4	935.6	311.1	602.9	-	21.5	-
GUATEMALA	540.9	864.3	258.7	605.1	0.5	-	-
GUYANA	545.4	742.9	304.0	215.7	32.3	108.4	82.6
HAITI	258.2	382.0	96.4	259.9	-	25.7	-
HONDURAS	892.1	1,608.6	398.2	1,017.8	21.3	171.3	-
JAMAICA	1,299.1	1,668.4	667.9	495.6	13.3	406.7	84.9
MEXICO	33,490.0	38,993.7	2,154.8	5,236.8	355.1	28,430.9	2,816.2
NICARAGUA	1,699.0	2,121.9	661.2	688.8	20.5	751.4	-
PANAMA	2,276.3	2,726.7	324.6	639.8	35.7	1,373.6	353.0
PARAGUAY	634.4	1,199.6	338.4	556.3	110.0	194.9	-
PERU	6,203.6	8,435.2	3,266.8	965.7	1,181.9	3,018.8	2.1
TRINIDAD AND TOBAGO	491.8	723.0	156.7	88.2	-	435.0	43.0
URUGUAY	1,040.5	1,524.4	221.9	424.7	37.8	577.2	262.8
VENEZUELA	10,866.6	11,144.4	230.6	213.4	354.1	6,888.3	3,458.1
TOTAL	125,416.9	159,427.0	20,652.0	27,693.8	9,864.0	89,362.4	11,854.8

EXTERNAL PUBLIC DEBT OUTSTANDING,
BY COUNTRY AND TYPE OF CREDITOR, DECEMBER 31, 1980
(US$ MILLIONS)

TABLE 3

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REGION COUNTRY or other area	DISBURSED ONLY	EXTERNAL PUBLIC DEBT OUTSTANDING INCLUDING UNDISBURSED: TOTAL	BILATERAL OFFICIAL	MULTILATERAL	SUPPLIERS	FINANCIAL INSTITUTIONS	OTHER
NORTH AFRICA AND MIDDLE EAST							
ALGERIA	15,072.9	23,061.6	4,069.2	967.3	5,025.5	12,687.8	311.7
EGYPT, ARAB REPUBLIC OF	13,053.6	17,385.7	10,407.2	4,235.4	1,620.4	990.5	132.3
JORDAN	1,266.2	2,502.9	1,710.5	325.5	54.1	412.8	-
LEBANON	194.0	415.7	110.7	159.5	-	145.5	-
MOROCCO	7,097.5	9,155.6	3,627.1	1,682.1	264.1	3,354.1	228.2
OMAN	345.5	478.4	314.1	108.1	6.5	49.7	-
SYRIAN ARAB REPUBLIC	2,492.7	4,010.3	3,225.1	634.4	116.4	34.5	-
TUNISIA	2,955.0	4,607.1	2,431.4	958.5	159.3	1,050.2	7.8
YEMEN ARAB REPUBLIC	876.4	1,620.0	1,210.0	390.5	-	19.5	-
YEMEN PEOPLE'S DEMOCRATIC REPUBLIC OF	498.9	1,240.7	999.7	241.0	-	-	-
TOTAL	43,852.7	64,477.9	28,104.9	9,702.3	7,246.2	18,744.5	680.0
SOUTH ASIA							
AFGHANISTAN	1,094.5	1,811.3	1,457.7	325.5	28.0	-	-
BANGLADESH	3,495.3	5,397.7	2,551.7	2,616.1	169.2	60.7	-
BURMA	1,516.7	2,740.2	1,442.9	809.0	184.9	303.3	-
INDIA	17,357.6	25,723.2	12,733.0	11,709.9	141.0	1,107.1	32.2
MALDIVES	23.8	43.9	34.4	9.5	-	-	-
NEPAL	176.7	542.2	54.3	487.8	-	-	-
PAKISTAN	8,775.3	11,288.5	7,691.2	2,874.8	202.3	520.2	-
SRI LANKA	1,337.0	2,386.1	1,336.3	724.4	88.1	237.4	-
TOTAL	33,776.9	49,932.9	27,301.6	19,557.1	813.5	2,228.6	32.2
MORE ADVANCED MEDITERRANEAN COUNTRIES							
CYPRUS	399.8	521.0	73.0	179.3	19.8	248.9	-
GREECE	4,540.6	5,931.5	878.4	834.1	174.1	3,908.7	136.2
ISRAEL	12,632.8	12,747.5	8,766.1	127.8	36.8	1,498.8	2,317.9
MALTA	101.0	137.9	126.2	10.8	-	1.0	-
PORTUGAL	5,610.2	6,410.7	1,719.8	1,027.5	467.4	3,147.9	48.1
TURKEY	13,216.3	16,211.8	6,917.2	3,598.7	1,482.8	4,179.0	34.1
YUGOSLAVIA	4,541.1	5,863.6	2,257.2	2,339.4	17.6	1,239.7	9.7
TOTAL	41,041.7	47,824.1	20,738.0	8,117.7	2,198.5	14,224.0	2,546.0
GRAND TOTAL	330,365.9	450,387.7	141,272.9	97,904.4	29,513.8	163,513.9	18,182.6

NOTE: INFORMATION ON THE SOURCES, DEFINITIONS, COVERAGE, AND INTERPRETATION OF THE DATA IS GIVEN IN THE 'GENERAL NOTES TO ANNEX TABLES'. ITEMS MAY NOT ADD TO TOTALS DUE TO ROUNDING.
SOURCE: WORLD BANK.

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT AS PERCENTAGE OF EXPORTS OF GOODS AND SERVICES, 1974 - 1980

TABLE 4

page 1

REGION COUNTRY or other area	SERVICE PAYMENTS AS PERCENTAGES OF EXPORT OF GOODS AND SERVICES						
	1974	1975	1976	1977	1978	1979	1980
AFRICA SOUTH OF THE SAHARA							
BENIN[1]	4.9	3.6	2.8	1.9	N.A	N.A	N.A
BOTSWANA[1]	N.A	3.1	1.5	1.9	2.5	1.6	1.6
BURUNDI	N.A	N.A	N.A	N.A	N.A	N.A	N.A
CAMEROON	4.3	5.3	5.4	5.8	7.9	7.7	N.A
CENTRAL AFRICAN REPUBLIC	5.1	7.9	2.1	4.7	2.6	0.1	4.5
CHAD	3.3	5.9	4.1	10.0	N.A	N.A	N.A
COMOROS	N.A	N.A	N.A	N.A	N.A	N.A	N.A
CONGO, PEOPLE'S REPUBLIC OF THE	6.8	12.7	8.4	10.5	7.3	18.7	9.4
ETHIOPIA	5.4	7.4	6.3	5.9	6.5	4.9	7.6
GABON	4.1	5.5	6.1	9.2	20.8	17.5	N.A
GAMBIA, THE	0.8	0.6	0.6	0.5	0.8	0.4	0.3
GHANA	3.7	5.6	5.8	3.4	6.5	5.7	6.0
GUINEA	N.A	N.A	N.A	N.A	N.A	N.A	N.A
IVORY COAST	7.9	8.8	8.8	10.1	12.8	18.3	N.A
KENYA[2]	4.7	4.6	5.9	5.0	7.9	7.5	9.5
LESOTHO	N.A	N.A	N.A	N.A	N.A	N.A	N.A
LIBERIA	N.A	N.A	N.A	N.A	N.A	N.A	N.A
MADAGASCAR	3.4	3.0	3.9	3.7	4.3	7.3	N.A
MALAWI	7.8	7.9	8.5	9.9	15.3	16.1	18.4
MALI	2.3	2.4	2.8	3.8	4.9	3.6	N.A
MAURITANIA	6.6	20.7	37.9	22.5	16.8	33.0	11.4
MAURITIUS	0.8	1.6	1.0	1.6	2.4	3.7	5.6
NIGER	2.8	4.6	4.4	N.A	N.A	N.A	N.A
NIGERIA	1.7	2.7	3.4	0.8	1.1	1.5	1.9
RWANDA	0.8	0.6	0.8	0.9	1.3	0.6	1.1
SENEGAL	5.4	5.5	5.7	6.2	13.4	N.A	N.A
SEYCHELLES	—	—	0.0	0.1	0.1	0.2	0.4
SIERRA LEONE	8.5	10.3	16.4	10.7	19.3	18.4	15.5
SOMALIA	4.2	3.4	2.6	3.6	3.1	1.2	2.8
SUDAN	13.8	20.9	13.6	7.5	9.3	15.1	11.6
SWAZILAND[1]	2.2	1.4	0.9	1.0	1.7	2.7	3.1
TANZANIA[2]	6.6	7.4	6.6	8.0	7.9	7.3	8.9
TOGO[1]	3.4	9.5	6.6	N.A	N.A	N.A	N.A
UGANDA[2]	5.1	5.2	3.3	4.7	5.1	5.6	12.8
UPPER VOLTA	3.0	3.7	3.0	3.1	3.4	N.A	N.A
ZAIRE	11.0	14.6	N.A	N.A	N.A	N.A	N.A
ZAMBIA	7.1	10.0	10.0	18.5	20.7	9.4	22.9
ZIMBABWE	—	—	—	0.6	0.8	1.2	2.6

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT AS PERCENTAGE OF EXPORTS OF GOODS AND SERVICES, 1974 - 1980

TABLE 4
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REGION COUNTRY or other area	SERVICE PAYMENTS AS PERCENTAGES OF EXPORT OF GOODS AND SERVICES 1974	1975	1976	1977	1978	1979	1980
EAST ASIA AND PACIFIC							
FIJI	1.6	1.5	2.3	2.3	4.4	2.6	3.2
HONG KONG	N.A	N.A	N.A	N.A	N.A	N.A	N.A
INDONESIA	3.9	7.5	8.7	11.5	18.2 [3]	13.5 [3]	8.0
KOREA, REPUBLIC OF	10.3	11.3	9.6	9.2	10.7	13.2	12.2
MALAYSIA	2.5	3.3	4.5	6.4	10.1 [3]	4.5	2.3
PAPUA NEW GUINEA	N.A	N.A	4.0	3.5	3.7	4.5	6.0
PHILIPPINES	5.2	7.1	7.1	7.6	13.2 [3]	12.7 [3]	7.0
SINGAPORE	0.6	0.7	0.8	0.7	2.2 [3]	1.2	1.1
SOLOMON ISLANDS	N.A	N.A	N.A	N.A	N.A	N.A	N.A
THAILAND	1.9	2.5	2.4	3.0	3.8	4.6	5.1
WESTERN SAMOA	5.4	7.0	27.4	N.A	N.A	N.A	N.A
LATIN AMERICA AND THE CARIBBEAN							
ARGENTINA	16.8	22.0	18.5	15.4	27.1 [3]	15.0	17.7
BARBADOS	2.0	1.8	1.8	3.5	2.3	2.7	2.4
BOLIVIA	11.4	15.0	16.3	21.8	49.7 [3]	30.2	25.9
BRAZIL	13.0	16.9	18.8	20.9	30.5	35.8	34.0
CHILE	12.1	28.4	31.9	34.2	40.4 [3]	26.7	22.9
COLOMBIA	15.8	11.1	9.5	8.8	9.4	13.3	9.7
COSTA RICA	9.5	10.7	9.6	9.0	23.0 [3]	22.7 [3]	16.4
DOMINICAN REPUBLIC	4.2	4.7	5.7	6.5	9.1	18.4 [3]	10.6
ECUADOR	7.1	4.5	5.7	7.3	12.0	29.2 [3]	14.0
EL SALVADOR	4.6	9.0 [3]	4.0	6.0	2.8	2.2	3.5
GUATEMALA	3.7	1.7	1.5	1.2	2.2	2.6	3.5
GUYANA	4.5	4.3	11.2	11.7	15.8	28.7 [3]	16.8
HAITI	5.4	4.6	4.7	4.9	4.0	2.7	4.2
HONDURAS	3.6	4.7	6.2	7.0	8.4	12.6	9.9
JAMAICA	5.8	6.9	11.2	14.6	16.3	16.4	12.8
MEXICO	18.8	25.1	31.1	43.4	54.7 [3]	62.8 [3]	31.9
NICARAGUA	11.3	12.3	12.1	13.9	13.6	8.1	N.A
PANAMA [1]	12.8	5.9	8.2	11.7	32.6 [3]	18.4	12.5
PARAGUAY	7.8	9.3	7.7	6.3	7.2	8.9	11.3
PERU	23.0	25.6	25.9	30.5	31.3	22.4	N.A
TRINIDAD AND TOBAGO	4.7 [3]	2.1	5.6 [3]	1.0	1.9	2.2	N.A
URUGUAY	31.7	41.2	29.3	29.9	45.8 [3]	9.9	11.8
VENEZUELA	4.2	5.3	3.9	7.6	6.9	9.5	13.2

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT AS PERCENTAGE OF EXPORTS OF GOODS AND SERVICES, 1974 - 1980

TABLE 4
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REGION COUNTRY or other area	1974	1975	1976	1977	1978	1979	1980
	SERVICE PAYMENTS AS PERCENTAGES OF EXPORT OF GOODS AND SERVICES						
NORTH AFRICA AND MIDDLE EAST							
ALGERIA	12.6 [3]	8.7	13.0	15.3	20.3	25.6	24.9
EGYPT, ARAB REPUBLIC OF	21.7	22.5	18.5	24.2	22.3	15.8	18.9
JORDAN	4.0	3.6	2.7	3.2	4.0	5.3	5.4
LEBANON	N.A	N.A	N.A	N.A	N.A	N.A	N.A
MOROCCO	5.5	5.7	7.2	10.7	18.7	21.8	27.6
OMAN	0.7	2.3	2.2	5.0	7.8	8.2	3.8
SYRIAN ARAB REPUBLIC	6.1	7.6	7.4	6.9	19.5	15.7	14.5
TUNISIA	6.6	6.9	6.7	9.5	11.1	10.7	12.2
YEMEN ARAB REPUBLIC [4]	4.8	1.3	0.8	0.7	0.7	0.9	1.1
YEMEN, PEOPLE'S DEMOCRATIC REPUBLIC OF	0.1	0.2	0.0	0.1	0.5	1.5	N.A
SOUTH ASIA							
AFGHANISTAN [4]	N.A	N.A	N.A	N.A	N.A	N.A	N.A
BANGLADESH	5.6	16.2	12.7	10.4	11.8	8.4	5.6
BURMA [4]	12.8	17.5	16.7	13.6	15.5	22.7	22.2
INDIA [4]	16.4	12.4	10.3	9.3	9.7	N.A	N.A
MALDIVES	N.A	N.A	N.A	N.A	N.A	N.A	N.A
NEPAL	N.A	N.A	1.0	1.7	1.4	1.4	1.5
PAKISTAN [5]	13.5	15.5	14.7	13.6	12.2	12.0	11.3
SRI LANKA	11.8	21.5	19.7	14.1	8.8	6.2	5.4
MORE ADVANCED MEDITERRANEAN COUNTRIES							
CYPRUS	2.3	3.3	3.2	3.2	3.9	4.5	5.5
GREECE	8.5	10.2	9.8	9.1	8.4	8.4	9.4
ISRAEL	16.0	18.6	11.5	11.2	8.0	16.7	11.8
MALTA	0.7	0.6	0.4	0.3	0.3	0.4	0.3
PORTUGAL	2.2	2.7	4.1	4.6	7.3	9.3	10.1
TURKEY	6.7	7.9	8.1	10.2	10.7	12.6	15.8
YUGOSLAVIA	5.5	5.8	3.5	3.9	3.5	4.2	3.5

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NOTE: DEBT SERVICE RATIOS ARE BASED ON DEBT SERVICE ACTUALLY PAID AND NOT ON CONTRACTUAL SERVICE DUE. INFORMATION ON THE SOURCES, DEFINITIONS, COVERAGE, AND INTERPRETATION OF THE DATA IS GIVEN IN THE 'GENERAL NOTES TO ANNEX TABLES'.

1 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.

2 INCLUDES A NOTIONAL SHARE OF DEBT SERVICE PAYMENTS ON LOANS TO THE EAST AFRICAN COMMUNITY : KENYA - 50% ; TANZANIA - 40% ; AND UGANDA - 10%.

3 SERVICE PAYMENTS FOR THESE YEARS ARE AFFECTED STRONGLY BY PREPAYMENTS.

4 DEBT DATA ARE FOR FISCAL YEARS.

5 INCLUDES FIGURES IN 1974 RELATING TO DEBT SUBSEQUENTLY TAKEN OVER BY BANGLADESH.

N.A.: NOT AVAILABLE.

SOURCE: WORLD BANK AND IMF.

PROJECTED DEBT SERVICE ON EXTERNAL PUBLIC DEBT OUTSTANDING , BY REGION AND TYPE OF CREDITOR ,
AS OF DECEMBER 31 , 1980
(US$ MILLIONS)

REGION TYPE OF CREDITOR	DEBT OUTSTANDING (INCLUDING UNDISBURSED) DECEMBER 31 1980	PROJECTED DEBT SERVICE 1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
AFRICA SOUTH OF THE SAHARA											
BILATERAL OFFICIAL	20,705.0	1,617.7	1,802.9	1,953.8	2,026.7	1,926.9	1,863.9	1,598.5	1,493.5	1,378.8	1,168.2
MULTILATERAL	15,237.6	590.0	659.5	785.7	928.7	1,100.3	1,181.7	1,156.4	1,133.8	1,067.1	965.5
PRIVATE											
SUPPLIERS	3,563.3	818.3	696.9	581.2	475.3	383.4	295.2	193.8	134.7	92.3	63.5
BANKS	15,530.8	3,214.8	3,525.6	3,771.7	3,832.5	3,269.1	2,525.8	1,888.2	1,053.7	581.5	353.6
OTHER	723.1	129.8	128.9	118.2	106.8	105.6	68.4	42.1	30.8	25.2	35.0
TOTAL	55,759.9	6,370.6	6,813.8	7,210.6	7,369.9	6,785.3	5,935.0	4,879.0	3,846.5	3,144.9	2,585.7
EAST ASIA AND PACIFIC											
BILATERAL OFFICIAL	23,771.5	1,413.2	1,559.0	1,799.2	1,880.2	1,944.2	1,919.3	1,885.8	1,819.0	1,772.9	1,696.0
MULTILATERAL	17,596.0	976.1	1,208.9	1,437.2	1,661.5	1,857.1	1,965.2	1,943.1	1,893.0	1,811.6	1,710.3
PRIVATE											
SUPPLIERS	5,828.2	1,357.6	1,278.1	1,178.9	1,043.5	774.5	652.5	475.9	387.3	238.3	138.1
BANKS	23,423.7	4,334.8	5,064.0	5,116.5	5,201.3	4,847.4	4,288.3	3,434.5	2,628.3	1,455.8	737.9
OTHER	2,346.5	277.4	302.9	318.2	430.3	332.8	218.3	292.1	341.3	344.0	182.5
TOTAL	72,965.9	8,359.1	9,412.8	9,850.0	10,216.8	9,755.9	9,043.6	8,031.3	7,068.9	5,622.6	4,464.9
LATIN AMERICA AND THE CARIBBEAN											
BILATERAL OFFICIAL	20,652.0	2,691.6	2,795.0	2,701.2	2,417.7	2,172.9	1,987.8	1,720.3	1,450.2	1,203.8	1,084.4
MULTILATERAL	27,693.8	1,963.8	2,271.0	2,618.4	2,839.6	2,994.0	3,049.4	2,956.0	2,846.8	2,709.8	2,574.7
PRIVATE											
SUPPLIERS	9,864.0	1,810.9	1,838.9	1,623.1	1,455.5	1,244.6	1,016.5	840.3	668.9	539.1	414.7
BANKS	89,362.4	24,721.6	21,087.1	20,060.7	18,439.6	16,937.4	14,608.5	13,485.4	10,264.7	6,094.7	3,433.5
OTHER	11,854.8	1,763.2	2,273.9	2,127.9	2,810.4	2,080.8	2,012.5	1,986.1	1,174.5	771.7	593.3
TOTAL	159,427.0	32,951.0	30,265.9	29,131.3	27,962.7	25,429.7	22,674.7	20,988.0	16,405.1	11,319.1	8,100.6
NORTH AFRICA AND MIDDLE EAST											
BILATERAL OFFICIAL	28,104.9	2,094.4	2,091.2	2,388.9	2,571.0	2,490.7	2,335.4	2,282.1	2,099.1	2,024.2	1,933.5
MULTILATERAL	9,702.3	497.2	836.1	912.9	1,034.5	1,133.5	1,132.3	1,109.2	790.5	737.8	673.7
PRIVATE											
SUPPLIERS	7,246.2	2,037.4	1,651.1	1,287.4	1,087.0	872.1	608.3	369.7	286.5	142.9	62.5
BANKS	18,744.5	3,959.4	4,171.3	4,225.9	3,929.0	3,253.8	2,473.4	1,906.3	1,541.3	1,074.2	637.1
OTHER	680.0	129.5	189.1	168.6	122.7	97.2	69.7	56.3	64.6	26.6	15.4
TOTAL	64,477.9	8,717.8	8,938.7	8,983.8	8,744.2	7,847.4	6,619.1	5,723.5	4,782.0	4,005.8	3,322.3

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SOUTH ASIA											
BILATERAL OFFICIAL	27,301.6	1,466.6	1,550.8	1,640.1	1,651.3	1,691.4	1,715.1	1,693.5	1,614.2	1,573.8	1,527.9
MULTILATERAL	19,557.1	342.3	379.0	437.9	524.5	628.8	744.0	765.9	775.8	766.3	737.4
PRIVATE											
SUPPLIERS	813.5	172.7	166.8	148.1	118.9	101.6	75.5	53.0	46.5	37.4	27.9
BANKS	2,228.6	256.9	339.5	389.7	395.7	454.1	472.3	395.3	315.3	267.7	214.4
OTHER	32.2	5.2	5.2	6.4	13.1	10.7	9.4	8.1	0.0	0.0	0.0
TOTAL	49,932.9	2,243.7	2,441.4	2,622.3	2,703.5	2,886.6	3,016.3	2,915.9	2,751.8	2,645.2	2,507.6
MORE ADVANCED MEDITERRANEAN COUNTRIES											
BILATERAL OFFICIAL	20,738.0	2,167.6	2,311.5	2,253.1	2,030.9	2,018.1	1,819.9	1,648.6	1,448.0	1,160.9	1,319.6
MULTILATERAL	8,117.7	640.2	783.4	940.6	937.3	987.9	990.1	940.8	881.9	840.3	834.2
PRIVATE											
SUPPLIERS	2,198.5	370.2	357.7	287.3	312.4	340.0	310.6	279.0	266.6	244.9	136.6
BANKS	14,224.0	3,252.8	2,957.2	2,946.6	3,081.6	3,274.7	2,748.0	2,334.2	1,717.6	1,220.6	881.2
OTHER	2,546.0	259.5	271.6	204.5	299.3	181.7	258.1	205.0	262.4	377.3	544.7
TOTAL	47,824.1	6,690.3	6,681.3	6,632.1	6,661.5	6,802.5	6,126.6	5,407.6	4,576.5	3,844.0	3,716.1
ALL DEVELOPING COUNTRIES											
BILATERAL OFFICIAL	141,272.9	11,451.1	12,110.4	12,736.4	12,577.8	12,244.2	11,641.4	10,828.9	9,923.9	9,114.4	8,729.7
MULTILATERAL	97,904.4	5,309.6	6,138.0	7,132.6	7,926.1	8,701.7	9,062.7	8,871.4	8,321.9	7,933.0	7,495.8
PRIVATE											
SUPPLIERS	29,513.8	6,567.2	5,989.5	5,106.1	4,492.5	3,716.2	2,958.5	2,211.7	1,790.5	1,294.9	843.3
BANKS	163,513.9	39,740.3	37,144.5	36,511.2	34,879.6	32,036.5	27,116.3	23,443.8	17,520.9	10,694.5	6,257.7
OTHER	18,182.6	2,564.6	3,171.6	2,943.8	3,782.5	2,808.8	2,636.5	2,589.6	1,873.6	1,544.8	1,370.8
TOTAL	450,387.7	65,332.7	64,553.9	64,430.1	63,658.5	59,507.5	53,415.3	47,945.3	39,430.9	30,581.6	24,697.2

NOTE: INFORMATION ON THE SOURCES, DEFINITIONS, COVERAGE, AND INTERPRETATION OF THE DATA IS GIVEN IN THE 'GENERAL NOTES TO ANNEX TABLES'. ITEMS MAY NOT ADD TO TOTALS DUE TO ROUNDING.

SOURCE: WORLD BANK.

EXTERNAL RESOURCE FLOWS AND SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT, BY REGION, 1974 - 1980
(US$ MILLIONS)

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REGION YEAR	DISBURSEMENTS			DEBT SERVICE				
	LOANS	GRANTS AND GRANTLIKE	TOTAL	AMORTI-ZATION	INTEREST	TOTAL	NET FLOW	NET TRANSFER
AFRICA SOUTH OF THE SAHARA								
1974	2,704.3	818.9	3,523.2	696.2	361.8	1,058.0	2,827.0	2,465.1
1975	3,538.3	975.3	4,513.6	869.3	440.4	1,309.7	3,644.4	3,204.0
1976	3,778.2	869.8	4,648.0	1,024.2	464.8	1,489.0	3,623.8	3,159.0
1977	4,316.5	935.3	5,251.8	958.1	576.8	1,534.9	4,293.7	3,717.0
1978	6,501.5	1,701.6	8,203.1	1,254.3	842.1	2,096.4	6,948.8	6,106.7
1979	7,489.5	2,118.0	9,607.5	1,667.6	1,186.0	2,853.6	7,939.9	6,753.9
1980	9,174.0	2,509.2	11,683.2	2,348.8	1,739.0	4,087.8	9,334.4	7,595.4
EAST ASIA AND PACIFIC								
1974	3,117.2	368.9	3,486.1	828.8	442.9	1,271.6	2,657.4	2,214.5
1975	5,156.0	444.9	5,600.9	1,038.9	676.1	1,715.0	4,562.0	3,885.9
1976	5,917.9	345.2	6,263.1	1,330.0	1,040.9	2,370.9	4,933.1	3,892.2
1977	6,371.2	429.3	6,800.5	2,181.2	1,292.0	3,473.1	4,619.3	3,327.4
1978	9,213.3	457.0	9,670.3	4,311.9	1,700.5	6,012.4	5,358.5	3,657.9
1979	10,794.7	577.8	11,372.5	4,223.6	2,434.4	6,658.0	7,148.9	4,714.5
1980	9,763.2	554.7	10,317.9	3,154.8	3,125.4	6,280.3	7,163.1	4,037.7
LATIN AMERICA AND THE CARIBBEAN								
1974	11,378.8	247.5	11,626.3	3,475.5	2,071.1	5,546.6	8,150.7	6,079.7
1975	12,238.4	266.5	12,504.9	3,814.7	2,814.8	6,629.5	8,690.2	5,875.4
1976	17,252.4	256.7	17,509.1	4,807.7	3,349.6	8,157.4	12,701.3	9,351.7
1977	20,727.2	243.6	20,970.8	7,301.4	4,118.3	11,419.7	13,669.4	9,551.1
1978	31,212.2	241.0	31,453.2	12,264.4	6,041.2	18,305.6	19,188.8	13,147.6
1979	33,983.5	361.8	34,345.3	15,987.9	9,043.6	25,031.4	18,357.4	9,313.8
1980	27,226.5	305.8	27,532.3	13,923.8	12,699.4	26,623.2	13,608.4	909.0
NORTH AFRICA AND MIDDLE EAST								
1974	2,535.3	269.6	2,804.9	1,190.6	382.9	1,573.5	1,614.3	1,231.4
1975	5,478.7	232.8	5,711.5	1,031.1	442.2	1,473.2	4,680.4	4,238.3
1976	5,204.4	221.7	5,426.1	1,285.5	597.1	1,882.7	4,140.5	3,543.4
1977	9,341.2	251.2	9,592.4	1,776.3	1,000.9	2,777.2	7,816.1	6,815.2
1978	9,975.0	263.1	10,238.1	2,515.6	1,410.4	3,926.1	7,722.5	6,312.0
1979	9,187.8	313.7	9,501.5	3,401.9	2,117.5	5,519.4	6,099.6	3,982.1
1980	9,500.7	367.8	9,868.5	4,983.6	2,794.0	7,777.6	4,884.9	2,090.9

EXTERNAL RESOURCE FLOWS AND SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT, BY REGION, 1974 - 1980
(US$ MILLIONS)

REGION YEAR	DISBURSEMENTS LOANS	GRANTS AND GRANTLIKE	TOTAL	DEBT SERVICE AMORTI-ZATION	INTEREST	TOTAL	NET FLOW	NET TRANSFER
SOUTH ASIA								
1974	2,828.9	575.2	3,404.1	716.7	378.7	1,095.3	2,687.4	2,308.8
1975	3,659.2	1,030.2	4,689.4	865.9	404.0	1,269.9	3,823.5	3,419.5
1976	3,141.4	819.3	3,960.7	823.9	458.1	1,282.0	3,136.8	2,678.7
1977	2,772.4	977.2	3,749.6	896.9	498.0	1,394.9	2,852.7	2,354.7
1978	3,209.4	1,433.8	4,643.2	982.4	623.6	1,606.0	3,660.8	3,037.2
1979	3,381.7	1,593.7	4,975.4	1,068.4	697.2	1,765.5	3,907.0	3,209.8
1980	5,037.2	1,992.6	7,029.8	1,311.9	742.7	2,054.7	5,717.9	4,975.1
MORE ADVANCED MEDITERRANEAN COUNTRIES								
1974	2,543.9	94.3	2,638.2	1,128.4	549.8	1,678.2	1,509.9	960.0
1975	3,372.5	443.2	3,815.7	1,330.3	665.0	1,995.3	2,485.4	1,820.4
1976	3,381.2	543.5	3,924.7	1,083.7	705.5	1,789.3	2,840.9	2,135.4
1977	3,932.4	644.1	4,576.5	1,346.0	797.3	2,143.3	3,230.5	2,433.2
1978	5,031.2	638.1	5,669.3	1,389.0	986.1	2,375.2	4,280.3	3,294.2
1979	9,214.2	792.7	10,006.9	2,590.4	1,487.0	4,077.3	7,416.5	5,929.5
1980	9,792.8	925.0	10,717.8	2,450.5	2,282.8	4,733.3	8,267.3	5,984.5
GRAND TOTAL								
1974	25,108.4	2,374.4	27,482.8	8,036.1	4,187.2	12,223.3	19,446.7	15,259.5
1975	33,443.1	3,392.9	36,836.0	8,950.1	5,442.4	14,392.6	27,885.9	22,443.5
1976	38,675.4	3,056.2	41,731.6	10,355.1	6,616.1	16,971.2	31,376.5	24,760.4
1977	47,461.0	3,480.7	50,941.7	14,459.9	8,283.1	22,743.1	36,481.7	28,198.6
1978	65,142.7	4,734.6	69,877.3	22,717.6	11,604.0	34,321.6	47,159.7	35,555.7
1979	74,051.2	5,757.7	79,808.9	28,939.7	16,965.6	45,905.3	50,869.2	33,903.6
1980	70,494.5	6,655.1	77,149.6	28,173.5	23,383.5	51,557.0	48,976.1	25,592.6

NOTE: INFORMATION ON THE SOURCES, DEFINITIONS, COVERAGE, AND INTERPRETATION OF THE DATA IS GIVEN IN THE "GENERAL NOTES TO ANNEX TABLES". ITEMS MAY NOT ADD TO TOTALS DUE TO ROUNDING.

SOURCE: WORLD BANK AND OECD.

AVERAGE TERMS OF LOAN COMMITMENTS AND GRANT ELEMENT OF LOANS AND GRANTS, BY REGION, 1974 - 1980
AMOUNTS IN US$ MILLIONS

REGION YEAR	LOAN COMMITMENTS AMOUNT	MATURITY (YEARS)	GRACE (YEARS)	INTEREST (%)	GRANT ELEMENT (%)	GRANTS (AMOUNT)	GRANT ELEMENT OF LOANS AND GRANTS (%)
AFRICA SOUTH OF THE SAHARA							
1974	4,265.9	20.0	6.0	5.2	34	818.9	44
1975	4,746.1	20.2	5.2	5.7	29	975.3	41
1976	5,282.7	18.8	5.1	5.4	30	869.8	40
1977	5,937.2	19.0	4.7	5.5	30	935.3	39
1978	9,145.5	16.8	4.8	6.4	24	1,701.6	36
1979	11,580.9	15.7	4.6	8.0	15	2,118.0	28
1980	9,081.4	19.3	5.3	7.2	23	2,509.2	40
EAST ASIA AND PACIFIC							
1974	6,585.0	17.4	4.8	7.5	17	368.9	21
1975	7,311.7	13.4	3.9	8.2	10	444.9	15
1976	9,842.6	14.5	4.6	7.8	12	345.2	15
1977	7,632.7	14.8	4.4	7.4	14	429.3	19
1978	13,589.2	15.6	4.5	8.0	13	457.0	15
1979	12,960.8	15.5	4.6	8.3	12	577.8	15
1980	14,288.4	16.3	4.7	10.0	4	554.7	7
LATIN AMERICA AND THE CARIBBEAN							
1974	13,887.8	12.3	3.6	9.2	5	247.5	7
1975	14,839.4	10.1	3.1	8.3	8	266.5	9
1976	22,506.9	10.3	3.3	7.4	11	256.7	12
1977	25,585.5	9.2	3.5	8.0	8	243.6	9
1978	34,003.4	10.1	4.2	9.5	2	241.0	3
1979	41,063.6	10.2	4.2	11.2	-4	361.8	-3
1980	28,900.4	10.7	3.9	11.3	-3	305.8	-2
NORTH AFRICA AND MIDDLE EAST							
1974	5,080.5	17.9	6.3	5.9	26	269.6	30
1975	9,945.7	16.1	5.6	6.0	24	232.8	26
1976	8,559.6	16.7	4.8	6.2	23	221.7	25
1977	11,704.5	15.1	4.8	6.2	22	251.2	24
1978	11,601.9	15.1	4.5	7.1	18	263.1	20
1979	11,647.8	15.8	4.3	7.9	13	313.7	16
1980	8,767.3	18.0	4.1	6.8	20	367.8	24

AVERAGE TERMS OF LOAN COMMITMENTS AND GRANT ELEMENT OF LOANS AND GRANTS, BY REGION, 1974 - 1980
AMOUNTS IN US$ MILLIONS

REGION YEAR	LOAN COMMITMENTS AMOUNT	MATURITY (YEARS)	GRACE (YEARS)	INTEREST (%)	GRANT ELEMENT (%)	GRANTS (AMOUNT)	GRANT ELEMENT OF LOANS AND GRANTS (%)
SOUTH ASIA							
1974	5,331.0	28.2	7.3	2.7	55	575.2	59
1975	4,351.1	32.2	8.1	2.5	59	1,030.2	67
1976	3,373.8	28.3	7.3	3.5	50	819.3	59
1977	4,147.9	34.3	8.3	2.7	59	977.2	67
1978	4,894.3	38.0	9.0	2.0	66	1,433.8	74
1979	4,518.5	32.8	8.1	2.6	59	1,593.7	70
1980	9,472.1	30.5	7.2	4.0	49	1,992.6	58
MORE ADVANCED MEDITERRANEAN COUNTRIES							
1974	3,580.0	19.5	7.5	6.8	23	94.3	25
1975	3,603.9	18.4	7.3	7.2	19	443.2	28
1976	4,419.7	21.4	7.2	6.4	25	543.5	33
1977	4,583.3	18.0	6.0	6.9	20	644.1	30
1978	6,294.2	17.0	5.5	7.3	18	638.1	25
1979	9,512.0	15.0	5.1	9.9	5	792.7	12
1980	9,950.0	15.6	5.4	10.1	3	925.0	11
GRAND TOTAL							
1974	38,730.1	17.7	5.3	6.9	22	2,374.4	26
1975	44,797.9	15.9	4.9	6.8	20	3,392.9	26
1976	53,985.3	15.0	4.5	6.8	19	3,056.2	23
1977	59,591.1	14.5	4.5	6.8	18	3,480.7	23
1978	79,528.4	14.8	4.8	7.9	14	4,734.6	19
1979	91,283.7	14.0	4.6	9.4	7	5,757.7	12
1980	80,459.6	16.6	4.8	9.1	11	6,655.1	17

NOTE: INFORMATION ON THE SOURCES, DEFINITIONS, COVERAGE, AND INTERPRETATION OF THE DATA IS GIVEN IN THE 'GENERAL NOTES TO ANNEX TABLES'.

SOURCE: WORLD BANK AND OECD.