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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

COMPARATIVE STUDY OF DEVELOPMENT PLANS OF ARAB STATES

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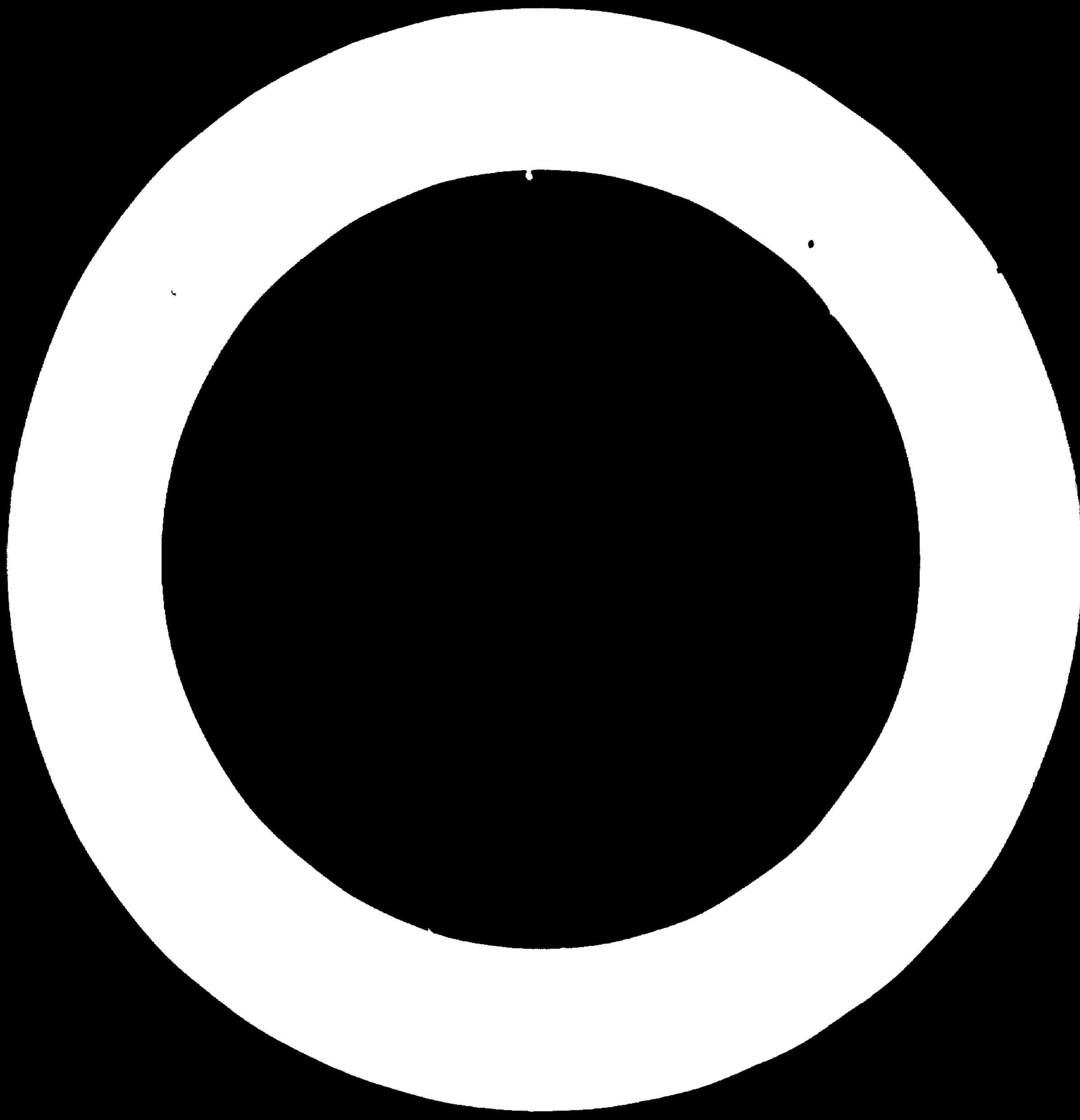

Explanatory notes

Countries are generally arranged in the order adopted in the United Nations Statistical Yearbook. Inclusion of a particular country or area in, or its exclusion from, any economic or geographical grouping has been dictated by the availability of comparable statistical data.

"Manufacturing" includes the industry groups listed in Major Division 3 of the International Standard Industrial Classification of All Economic Activities (ISIC) (ST/STAT/M.4/Rev.2/Add.1) (United Nations publication, Sales No. 71.XVII.8) throughout this volume, unless otherwise indicated. The term "major group of industry" is generally used to denote the ISIC classification at the two- and three-digit level.

Dates divided by a slash (1970/71) indicate a crop year or a financial year.

Dates divided by a hyphen (1970-1975) indicate the full period involved, including the beginning and end years.

References to dollars ($) indicate United States dollars, unless otherwise stated.

References to tons indicate metric tons, unless otherwise stated.

The term "billion" signifies a thousand million.

Annual rates of growth or change, unless otherwise stated, refer to percentage rates calculated on a compound basis.

In tables:

Apparent arithmetical discrepancies, such as details and percentages that do not add precisely to totals, are owing to rounding of the basic data or to differences in rounding of numbers known to different degrees of precision;

Three dots (...) indicate that data are not available or are not separately reported;

A dash (-) indicates that the amount is nil or negligible;

A blank indicates that the item is not applicable;

The names of countries are those in official use.

The following exchange rates were used in the conversion of country currencies to United States dollars for the base years of the national economic development plans:

Country	Base year of economic development plan	Rate per US dollar
Algeria	1973	4.937 dinars (DA)
Democratic Yemen	1971	0.417 dinars (YD)
Egypt	1973	0.435 pounds (LE)
Iraq	1970	0.357 dinars (ID)
Jordan	1973	0.357 dinars (JD)
Kuwait	1967	0.357 dinars (KD)
Lebanon	1972	3.020 pounds (LL)
Libyan Arab Republic	1972	0.329 dinars (LD)
Morocco	1973	4.100 dirhams (DH)
Saudi Arabia	1970	4.500 riyals (SRls)
Sudan	1970	0.348 pounds (LSd)
Syrian Arab Republic	1971	3.820 pounds (LS)
Tunisia	1973	0.480 dinars (D)

The following abbreviations are used in this study:

CMEA	Council of Mutual Economic Assistance
EEC	European Economic Community
EFTA	European Free Trade Association
FAO	Food and Agriculture Organization of the United Nations
IBRD	International Bank for Reconstruction and Development
IDCAS	Industrial Development Centre for Arab States
IMF	International Monetary Fund
ISIC	International Standard Industrial Classifioation

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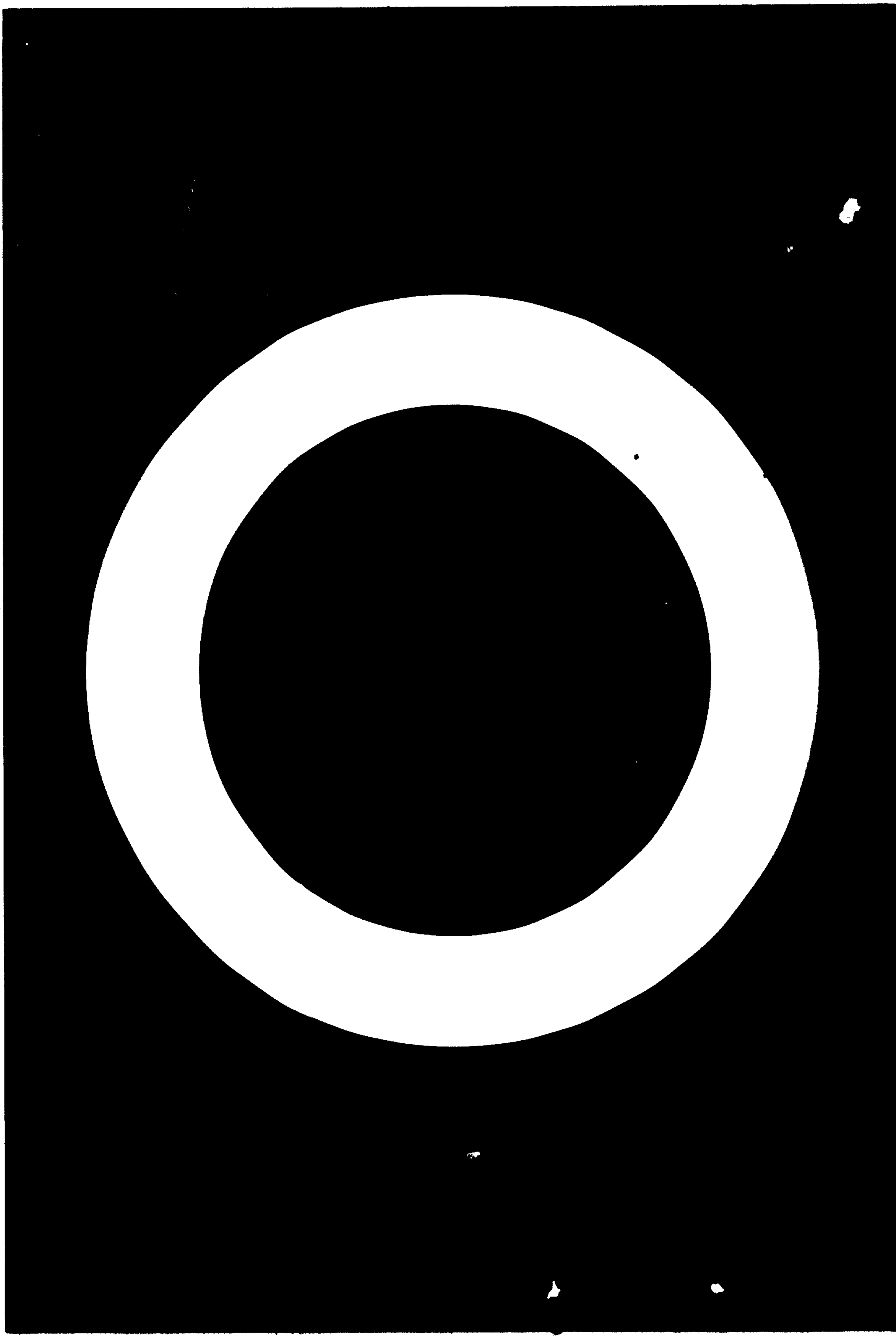


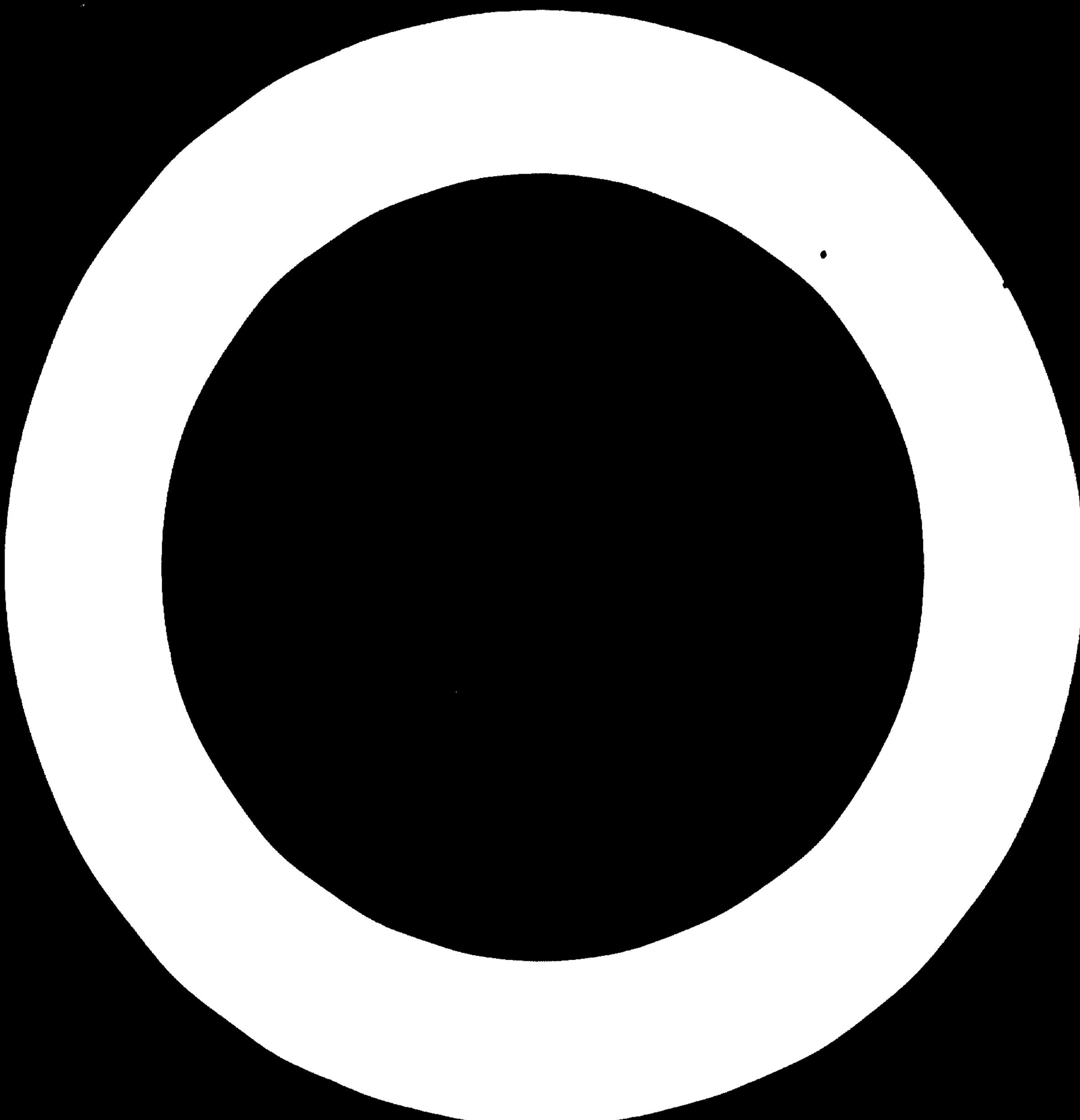
PREFACE

The purpose of this study is to present an overview of development planning in Arab States in the early 1970s. An attempt is made specifically to highlight the extent and types of development in industrial manufacturing output; the volume and allocation of investment in the manufacturing sector relative to other sectors; the employment and labour productivity targets; and the main proposed projects within the manufacturing sector in each State, so far as the available data permit.

The study is an important preliminary step towards co-ordinating development plans in general, and industrial programmes in particular, among the Arab States with the aim of achieving higher rates of growth in the income of each State than what it could reach individually in the absence of such co-ordination.[1/]

Erfan Aly Shafey and Sami Khalil Mohamed, professors of economics at the National Institute of Management Development, Cairo, as consultants, have co-supervised the study and collaborated in its design and implementation. Hosny El-Gamal, Director of the Economic Department of the Arab African Bank, contributed to the analysis of the plans of Algeria and Tunisia. Erfan Aly Shafey wrote the introduction and the first five chapters, which constitute part one of the study. The 12 country studies that make up part two were written jointly by Erfan Aly Shafey, Sami Khalil Mohamed and Danial Abdullah Rizk.

1/ The study served as a background document for the Third Industrial Development Conference of Arab States, held at Tripoli, Libyan Arab Republic, from 7 to 14 April 1974. Some of its findings form the basis of two papers submitted to the Conference; see IDCAS, "Manufacturing industry in some Arab States: Characteristics and development in the seventies" (Arabic) (1974), and "A rough sketch of the strategy of Arab industrial development" (Arabic) (1974).



INTRODUCTION

Objective and scope of the study

Increased economic co-operation is a necessity for the Arab States. Most factors of production - with the exception of some advanced types of know-how - are available in the Arab region as a whole. Yet one of the major economic problems of the region is the maldistribution of resources, cultivable land, mineral resources, sources of energy, liquid assets, manpower, and managerial and technical skills. The acute scarcities of certain resources in some Arab States, however, are offset by a relative surplus of the same resources in other Arab States.

Such disparities in the endowment of natural and human resources require that the Arab States engage in a serious search for suitable forms of economic co-operation and co-ordination of their development plans, since an Arab State by itself might now or in the near future be encountering specific bottle-necks in the course of development. With a farsighted approach, strong will and an agreed-upon system for the distribution of costs and benefits, the Arab region as a whole may largely eliminate such bottle-necks.

Two objectives might be furthered by co-ordinating the development plans of the various Arab States:[2/]

(a) To harmonize these plans so that the proposed projects may not conflict, whether in utilizing the same productive inputs such as raw materials and technicians, on the one hand, or in sharing the markets, on the other. In addition, it might be possible to agree on procedures and measures to settle differences that may arise and to determine, with general consent, the necessary compensation to the State(s), sector (s), region(s), enterprise(s), or labour groups that may suffer losses in the short term as a result of this co-ordination;

(b) To incorporate into the individual development plans some interregional projects - or component parts of them - in order to promote economic specialization, co-operation and integration. Such measures would lead to rates of growth in the GNP of each State that would surpass that of any State alone without such co-ordinated action.

2/ See Maurice Makramalla, "Principles of co-ordination and location in Arab countries" (Cairo, Industrial Development Centre for Arab States, 1973 (Arabic)); Studies on Selected Development Problems in Various Countries of the Middle East, 1971 (United Nations publication, Sales No. 71.II.C.2), "Plan harmonization and intercountry co-operation for industrial and agricultrual development", pp. 79-100.

An initial step towards co-ordinating the plans of Arab States would be to ascertain the dimensions and types of plans in existence in the Arab region.

This study has been prepared on the basis of the UNIDO programme for summarizing and publishing brief accounts of industrial plans in some developing countries, particularly those participating in or intending to participate in regional economic schemes. This programme has the following objectives:[3/]

(a) To identify the basic dimensions and extent of detail of planning in each State;

(b) To examine the various strategies for industrial development in different States;

(c) To disseminate ideas about new sectors and/or projects;

(d) To compare the organizational and implementation measures of the plans;

(e) To determine the extent and types of support given the industrial sector compared with other sectors in the economy;

(f) To identify and consult together on similar problems in formulating and implementing the plans;

(g) To compare and contrast one plan with the prevailing pattern of plans in one region, or in developing countries as a whole;

(h) To evaluate the internal consistency of plans and the probable bottlenecks in their implementation;

(i) To explore the possibility and the extent of foreign finance needed for industrial development;

(j) To assess the impact of development plans on international trade;

(k) To identify some bilateral or multilateral measures that could be carried out in order to accelerate the rate of industrial development;

(l) To promote co-operation in the field of economic planning and to facilitate co-ordination among the plans of States grouped in a scheme of regional economic co-operation or bound together by strong economic or cultural ties.

The purpose of this study is to discern the objectives, strategies and measures of implementation of development plans in Arab States in the early

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3/ See Summaries of Industrial Development Plans, vol. I (UNIDO/IPP[illegible]; vol. II (UNIDO/IPPD/54); vol. III (ID/109); and vol. IV (ID/159).

1970s and report the findings in a way that would facilitate a comparison of these plans. The study is not intended as an evaluation of these plans, but to pave the way for further studies that might have the aim of harmonizing the planning processes in the Arab region.

Organization of the study

The study consists of two parts. Part one gives a general survey and analysis of development plans in the Arab region in the early 1970s. Part two contains case studies of 12 countries.

Chapter I of part one contains a brief comparison of the population and the GNP in several Arab States in 1970.

Chapter II concerns the concept of planning; it provides summaries of some of the basic characteristics of development plans in Arab States in the early 1970s and some preliminary yet basic proposals that would help in co-ordinating the plans of Arab States in the future.

Chapter III gives a survey of planned GNP in 13 Arab States. Also indicated are the gross product and planned structural changes at the sectoral level and at the level of manufacturing industries up to the second digit of the International Standardized Industrial Classification (ISIC).

Chapter IV contains a comparison of the targets of fixed gross investment in these plans at the national and sectoral levels, as well as at the level of major groups of manufacturing industries. Reference is made wherever possible to rates of investment, savings, domestic finance, and the assumed investment/output ratio in the plans.

Chapter V contains a comparison of employment and labour productivity targets in plans at the national and secoral levels and a comparison of investment/labour ratios.

To facilitate comparisons, all monetary values in part one were expressed in terms of United States dollars according to official rates of exchange in the base year of each plan. Such conversion by official rates of exchange leads to some overstatement of monetary values for States whose currencies are overvalued in terms of the dollar. On the other hand, conversion by official rates leads to some underestimation of the GNP of States that have relatively large agricultural and/or services sectors because domestic prices in these sectors are typically lower than world prices.

Each country study forms one of the chapters of part two, which is arranged according to alphabetical order:

		Years
Chapter I.	Algeria	1970–1973
Chapter II.	Democratic Yemen	1971/72–1973/74
Chapter III.	Egypt	1973–1977
Chapter IV.	Iraq	1970–1974
Chapter V.	Jordan	1973–1975
Chapter VI.	Kuwait	1967/68–1971/72
Chapter VII.	Lebanon	1972–1977
Chapter VIII.	The Libyan Arab Republic	1972/73–1974/75
Chapter IX.	Saudi Arabia	1970/71–1974/75
Chapter X.	The Sudan	1970/71–1974/75
Chapter XI.	The Syrian Arab Republic	1971–1975
Chapter XII.	Tunisia	1973–1976

The country studies give the characteristics of the national economy; targets of the plan with respect to GDP, investment and employment at the national and sectoral levels and, as far as the data permit, at the level of major groups of manufacturing industries; and the extent of and measures for the implementation of the plan.

In part two all monetary values are expressed in the units of the respective national currency.

The annex contains tables giving some comparative background data on Arab States: on population, employment, natural resources, animal wealth, manufacturing and agricultural output, electrical energy, national income, distribution of GDP by economic sector and of value added by major group of manufacturing, investment and savings, imports and exports and balance of payments.

Part one

AN OVERVIEW

I. POPULATION AND INCOME IN THE ARAB REGION

Population in the Arab region

The population of the Arab region was estimated at 127.9 million in 1970, or about 3.5 per cent of world population in that year (see table 1).

The Arab region had one of the highest rates of population growth in the world over the period 1960-1970. Its annual rate of growth was estimated at 2.8 per cent compared with an annual rate of growth of 2.05 per cent for the world as a whole. The only other geographical region to match this rapid rate of population growth was Latin America.

Table 1. Distribution of population, by geographical region, 1970

Geographical region	Population (thousands)	Share in world total (percentage)	Average annual growth rate, 1960-1970 (percentage)
The Arab region	127 933	3.5	2.8
Africa (excluding Arab African States)	258 845	7	2.6
Asia (excluding Indonesia and Arab Asian States	1 908 266	51.9	2.2
Europe (including the USSR)	740 851	20.1	1.0
North and Central America	318 512	8.7	2.4
Latin America	188 847	5.1	2.8
Australia and Indonesia	135 591	3.7	2.0
World	3 678 745	100	2.05

Source: Based on IBRD, World Atlas (Washington, D.C., 1972).

The Arab States differ in their annual rates of population growth (table 2). During the period 1960-1970, very high annual rates of growth occurred in Kuwait (9.7 per cent), the United Arab Emirates (9.3 per cent), and Qatar (9.1 per cent), followed at a considerable distance by the Libyan Arab Republic (3.7 per cent).

Table 2. Population estimates for the Arab States, 1970

State	Population (thousands)	Share in total (percentage)	Average annual growth rate, 1960-1970 (percentage)
Egypt	33 329	26.0	2.5
Sudan	16 695	13	2.9
Morocco	15 495	12	2.9
Algeria	14 330	11.2	3.1
Iraq	9 678	7.6	3.5
Saudi Arabia	7 360	5.8	1.7
Syrian Arab Republic	6 098	4.8	2.9
Yemen	5 730	4.5	2.2
Tunisia	5 075	4.0	3
Somalia	2 828	2.2	2.4
Lebanon	2 726	2.1	2.5
Jordan	2 317	1.8	3.5
Libyan Arab Republic	1 940	1.5	3.7
Democratic Yemen	1 255	1.0	2.3
Mauritania	1 170	0.9	1.9
Kuwait	760	0.6	9.7
Oman	600	0.5	2
United Arab Emirates	220	0.2	9.3
Bahrain	212	0.2	3.5
Qatar	115	0.1	9.1
Total	127 933	100	
Average			2.8

Source: Based on IBRD, World Atlas (Washington, D.C., 1972).

These four States are oil-rich States with relatively small populations and attractive employment opportunities. Lower rates of population growth were evidenced in Saudi Arabia (1.7 per cent), Mauritania (1.9 per cent), Oman (2 per cent), Yemen (2.2 per cent), Democratic Yemen (2.3 per cent) and Somalia (2.4 per cent). In Egypt, where there is the greatest concentration of population, the rate of population growth is estimated at about 2.5 per cent annually, which is slightly lower than the average of 2.8 per cent for the Arab region as a whole.

GNP in the Arab region in the early 1970s

The GNP of the Arab region (including Mauritania and Somalia) was estimated at market prices at about $36 billion in 1970. This amounted to approximately 1.1 per cent of the total GNP of the world in that year.

The average *per capita* GNP for the Arab region was estimated at about $288 in 1970, in comparison with a high average of $3,485 for the geographical region of North and Central America and a fairly high average of $1,894 for Europe (including the USSR). On the other hand, the *per capita* GNP for the Arab region was somewhat higher than that for Asia, which was $243, excluding Indonesia and the Arab Asian States, and for Africa, which was $196, excluding the Arab African States.

The Arab region as a whole attained one of the highest annual rates of growth of GNP in comparison with other geographical regions in the period 1960-1970. This growth rate, in market prices, was 7.4 per cent, in comparison with an average annual rate of growth of GNP of 5.5 per cent for the world as a whole. Only Asia (excluding Indonesia and the Arab Asian States) kept pace with the Arab region in the rate of growth of GNP over this period. (See table 3.)

The Arab region also attained a high rate of growth in *per capita* GNP between 1960 and 1970, although the region had one of the highest rates of population growth. The average annual rate of growth in *per capita* GNP was about 4.6 per cent, compared with an average rate for the world of about 3.5 per cent. Evidently, a considerable part of the increase in the rates of growth of GNP and of *per capita* income of the Arab region was accounted for by the rise in GNP of some oil-producing States in the region.

The Arab States generally were at a relative disadvantage in relation to the distribution of income in the world in 1970. While the sahre of the Arab region in world population was 3.5 per cent, its share in world GNP was 1.1 per cent. This discrepancy reflects the relatively low levels of average productivity and consumption in the Arab region. Other developing countries in Latin America, Asia, and particularly Africa were in a similar or worse situation. As the other developing countries, the Arab States are striving to achieve rapid economic growth and to obtain better terms of trade in their dealing with the developed countries.

Table 3. Distribution of GNP, by geographical region, 1970

Geographical region	GNP			Per capita GNP	
	Million dollars	Share in world GNP (percentage)	Average annual growth rate, 1960-1970 (percentage)	Dollars	Average annual growth rate, 1960-1970 (percentage)
The Arab region	36 220	1.1	7.4	288	4.5
Africa (excluding Arab African States)	50 983	1.6	5.1	196	2.5
Asia (excluding Indonesia and Arab Asian States)	464 550	14.4	7.4	243	5.2
Europe (including the USSR)	1 403 520	43.5	5.6	1 894	4.6
North and Central America	1 110 160	34.4	4.6	3 485	2.2
Latin America	102 150	3.2	4.7	541	1.9
Australia and Indonesia	53 910	1.8	4.2	398	2.2
World total	3 221 493	100			
World average			5.5	875.7	3.5

Source: Based on IBRD, World Atlas (Washington, D.C., 1972).

Note: The dollar value of GNP for each country was obtained using an average of official exchange rates in 1965-1971. Some modifications were made in the exchange rates of some States in order to make them more in tune with market prices. Care should be taken in making international comparisons because exchange rates reflect the prices of international trade goods, while most of the GNP in most developing countries consists of services and agricultural goods, which are priced relatively low. Consequently, the above estimates give a somewhat exaggerated picture of the gap between levels of GNP in industrialized and less developed countries.

Table 4 shows the GNP of individual Arab States at market prices in 1970.

The *per capita* GNP varied greatly among Arab States in 1970. Unfortunately, there is no comparable information about the actual patterns of income distribution for each State. It will be noted that those having high *per capita* GNP, with the exception of Lebanon, are oil-producing countries. In these countries the *per capita* GNP was closely behind or even equalled the *per capita* GNP in the United States in this year ($4,760), Japan ($1,920) and the USSR ($1,790). It is also noteworthy that the *per capita* GNP of Kuwait, which is normally the highest among Arab States, in 1970 was 47 times that for Yemen and about 53 times that for Somalia, which had the lowest *per capita* GNP in that year.

Table 4 also indicates that oil-producing Arab States achieved some of the fastest rates of growth of GNP in the Arab region and possibly in the entire world over the 1960s. Some oil-producing States by far exceeded the average annual rate of growth of GNP of 7.4 per cent for the whole Arab region.

From another point of view, Jordan, the Syrian Arab Republic, Mauritania and the oil-producing States (except Algeria) were the only Arab States that exceeded the annual rate of growth for GNP of 5 per cent recommended by the United Nations for the First United Nations Development Decade (General Assembly resolution 1710 (XVI)). These paradoxes reflect the complexity of the phenomena of economic development and the interaction of several variables, among which are the availability and the quality of natural and human resources; the types of prevailing economic, social and political institutions; and the susceptibility to external shocks and other factors.

The last column in table 4 shows the annual growth rate of the *per capita* GNP in the period 1960-1970. The rate is estimated at an average of 4.6 per cent for the Arab region as a whole. Some oil-producing countries surpassed this average. It is a strange coincidence, however, that in both Kuwait and Somalia there was a decline in the average rate. In the case of Kuwait this resulted from the fact that the rate of annual growth of population (9.7 per cent) had exceeded the rate of growth of GDP (6.2 per cent). In the case of Somalia, it resulted from the drop in GNP over the 1960s at an average annual rate of 1.1 per cent.

Table 4. Estimates of GNP in the Arab States, at market prices, 1970

State	GNP: Million dollars	GNP: Share in total (percentage)	GNP: Average annual growth rate, 1960-1970 (percentage)	Per capita GNP: Dollars	Per capita GNP: Annual rate of change a/ in per capita GNP, 1960-1970 (percentage)
Egypt	6 870	19	4.2	210	1.7
Algeria	4 270	11.8	4.1	300	1.0
Morocco	3 600	9.9	3.9	230	1
Libyan Arab Republic	3 420	9.4	24.1	1 770	20.4
Saudi Arabia	3 220	8.9	9.7	440	8.0
Iraq	3 090	8.5	6	320	2.5
Kuwait	2 850	7.9	6.2	3 760	-3.5
Sudan	1 850	5.1	3.9	120	1.0
Syrian Arab Republic	1 750	4.8	6.3	290	3.4
Lebanon	1 610	4.4	3	590	0.5
Tunisia	1 270	3.5	3.5	250	0.5
Jordan	570	1.6	6.4	250	2.9
United Arab Emirates	530	1.5	27.8	2 390	18.5
Yemen	290	0.8	4.2	80	2
Oman	210	0.6	19.1	350	17.1
Qatar	200	0.6	9.6	1 730	0.5
Somalia	190	0.5	-1.1	70	-3.5
Mauritania	170	0.5	6.4	140	4.5
Democratic Yemen	140	0.4	1.8	120	0.5
Bahrain	120	0.3	6.3	550	2.8
Total	36 220	100			
Average			7.4	287.9	4.6

Note: See foot-note to table 3 concerning the conversion of values from national currencies into dollars. Accordingly, the estimates here are not necessarily comparable with values of GNP derived from national plant and statistics.

a/ Computed as the difference between average annual growth rates of GNT and population.

II. ECONOMIC DEVELOPMENT PLANS IN ARAB STATES IN THE EARLY 1970s

The concept of planning

Planning may be defined for the purposes of this study as a continuous process of preparing for and deciding on policies that will be implemented in the future to achieve specific objectives; in other words, it is a way of rationalizing decision making. Planning may be undertaken in different economic, social and political environments and at various levels of decision making.

The decisions and guidelines contained in a plan should be integrated, logically related and in chronological order. The preparation and revision of plans thus require a great deal of information about the present and possible future conditions. The planning process involves an interaction between scientific analysis and political experience. Plans must be implemented by the competent authorities and sectors. Hence, effective administrative procedures with incentives and penalties for ensuring the implementation of the plan should be devised. Procedures for follow-up should also be introduced to identify any defects of the plan, and to overcome obstacles that might impede its implementation, or to modify it if necessary.

Development planning is a particularly complicated process because of many interrelated social, economic, political and psychological factors at the level of the individual, group and country. Therefore, planning that is confined to the control of strictly economic variables might not be adequate to generate a development process having genuine spontaneity and continuity in the long term.

The framework of economic development plans might be modelled on certain existing plans, particularly those in economies where there are close interrelationships among industrial sectors. Such models help planners in achieving a balance between resource availability and utilization, in forecasting trends, in finding an optimal allocation of relatively scarce resources among alternative uses, or in achieving a minimum of desirable consistency among different sectors. Planning models used by the more advanced Arab States were not readily available for study here. It might be useful in the future, however, to study the planning models utilized in Arab States to identify at an early stage possible contradictions or areas for co-operation in the Arab region as a whole.

Such studies might include an investigation of the utilization of some of these models for planning on the scale of the region in the interests of a rational use of resources, and for purposes of collecting and classifying data and statistics.

A well-designed development plan should comprise at least the following elements:

(a) Strategy for industrial development;

(b) Specific objectives and targets of the plan, particularly those concerning national product and employment;

(c) An investment programme for the governmental and public sectors, showing the allocations of developmental expenditures among the principal sectors;

(d) Forecasts of planned investments in the private sector, and an indication of the policies adopted by the Government for orienting and steering these investments into the desired fields through appropriate measures governing fiscal policy, foreign trade, foreign exchange and foreign investments;

(e) A financial budget giving the resources and expenditures of the governmental, public and private sectors, and of both domestic and foreign exchange;

(f) A detailed account of sectoral development programmes giving the planned projects in every sector and some basic information about every project;

(g) A statement of basic policies and measures of implementation that will be carried out in order to effect changes favourable for development in the economic, social and administrative spheres, such as labour legislation, agrarian reform, and education and training programmes.

Development plans in the Arab States

Most Arab States have relatively recent experience in planning economic development.[4/] Development plans for 13 Arab States were available for the discussion contained in part one of this study. Table 5 indicates the duration and period covered of each plan.

4/ On the inception and evolution of planning machinery, and the different stages of preparation and implementation of plans in Arab States, reference may be made to the papers submitted to the First Arab Symposium on "Administrative aspects of national planning for economic and social development", held by the Arab Organization for Administrative Sciences at the headquarters of the General Secretariat of the Arab League in Cairo, January 1974.

As evident from table 5, the plans differ considerably with respect to the number of years they cover. It seems that there is a preference, however, for five-year plans in most Arab States, except for Tunisia and Algeria where the plans are for four years, and Democratic Yemen, Jordan and the Libyan Arab Republic where they are for three years. Lebanon has a six-year plan. The differences in the dates and the duration of the plans under study made it difficult to make meaningful comparative analyses.

Table 5. Development plans for 13 Arab States

State	Term of the plan	Number of years of the plan
Algeria	1970–1973	4
Democratic Yemen	1971/72–1973/74	3
Egypt	1973–1977	5
Iraq	1970–1974	5
Jordan	1973–1975	3
Kuwait	1967/68–1971/72	5
Lebanon	1972–1977	6
Libyan Arab Republic	1972/73–1974/75	3
Morocco	1973–1977	5
Saudi Arabia	1970/71–1974/75	5
Sudan	1970/71–1974/75	5
Syrian Arab Republic	1971–1975	5
Tunisia	1973–1976	4

The plans under study differ considerably in the extent of their comprehensiveness, in details relating to the planned course of development of the national economy in different sectors and in various branches of the manufacturing sector, and in the means of financing the plan and the measures for its implementation. The plans also differ in how binding they are; that is, they vary from a plan promulgated by law, as in Iraq, to the indicative plan of Lebanon. The lack of this type of information about some plans and planning procedures, as well as the possibility of divergence between declared planning policies and actual planning practice in some cases, made it difficult to categorize the plans under study simply as authoritative or indicative planning. It is noteworthy that the plan of Kuwait for the years 1967/68 to 1971/72 was included in this study, although its term expired without its having been officially adopted by the competent authorities; none the less, it is included for comparative purposes. The plans also vary considerably in the methods used for classifying and presenting data and in the usage of some Arabic economic terms. Some information not explicitly indicated in the plans of some or all of the States had therefore to be reclassified or deduced.

Plans of all Arab countries, in common with those of other developing countries, have one basic objective: namely, to increase GNP at a rate that would exceed the rate of population growth. This condition is indispensable if an increase is to be achieved in the per capita GNP. It would also be interesting to know about related issues such as the planned rate of growth in the product of various sectors, particularly the manufacturing sector and its different projects; the rates of domestic savings and investment; the allocation of investment among different sectors; the planned rate of growth of employment and labour productivity; and the structural changes that might take place in the economy of each State if it successfully implemented its plan.

There is a remarkable similarity among the plans under study as regards their emphasis on the development of natural resources, utilization of idle capacity, and expansion of infrastructure such as water, energy, transport and communications systems. There is also some similarity in the emphasis given to educational systems, scientific and technological research, expansion of the range of technical and vocational training, adoption of a legislative framework within which economic activity takes place, improvement of the efficiency of institutions, promotion of international economic relations, and other secondary objectives that are covered in the country studies in part two.

There are indications in the development plans of some Arab States and other evidence that suggest that many projects have not been preceded by feasibility studies or by a proper evaluation of their possible impact on the basis of commercial or social benefit-cost analysis.

The available data on planned projects in most States, on different stages of implementation of current projects, and on the intended expansion of existing projects are usually inadequate. This insufficiency of data prevents a comparison of different projects within the same sector in the same State, let alone an evaluation of projects at the level of Arab multilateral plans.

Experts specialized in evaluating projects in Arab countries and in the criteria of evaluation are limited in number and training. As project evaluation is an integral and indispensable part of planning at the national level of every State, the Arab States must give attention to evaluation techniques in order to enhance the effectiveness and efficiency of planning to achieve optimal allocation of resources among competing ends.5/

Proposals for co-ordinating the plans of Arab States

In the light of the preceding discussion of the plans under study, the following proposals are put forward for facilitating future co-ordination of the plans of Arab States that may be interested in such co-operation, whereby they might agree:

(a) To work out a common starting date and duration for their development plans;

(b) To reach a common understanding on basic concepts of planning and to establish a unified terminology for translated terms. Planning models could be co-ordinated, especially those that are applicable to joint Arab planning;

(c) To provide data and national statistics according to a unified system of tabulation and in a periodic manner, preferably through a specialized statistical organ in the Arab League or one of its affiliate organizations;

5/ IDCAS, in collaboration with UNIDO, is attempting to bridge this gap in the Arab region through holding a series of symposia on industrial project evaluation. A symposium was held at Cairo in 1972, another at San'ã in 1973, a third at Aden in 1974, and a fourth at Khartoum in August 1974. There is also a joint IDCAS/UNIDO current project for the preparation of a manual on project evaluation for use in the Arab region. In addition, the translation into Arabic and publication of some important studies on project evaluation is being undertaken by IDCAS.

(d) To establish the broad skeleton and sequence of basic information to be contained in development plans in order to facilitate future comparisons and co-ordination of plans;

(e) To distribute widely and exchange development plans among all interested parties in the Arab region and to keep them informed of changes in these plans;

(f) To give attention to project evaluation, to provide detailed information about future projects, to standardize the data concerning these projects, and to indicate whenever possible in the plans to what extent a future project would be dependent on Arab markets for inputs or output;

(g) To train and develop the skills of planners in general and of project evaluators in particular, to support and enhance the activities of institutes of planning and management development, and to increase their professional contacts with international competent institutions and consultants;

(h) To develop appropriate formulae and banking procedures for promoting co-operation among Arab States in long- and short-term finance, leading towards a reduction of internal tariff barriers within the region;

(i) To promote co-operation initially within relatively narrow limits such as the setting up of multinational projects; and co-ordinating in one sector such aspects as investment, location, production and marketing;

(j) To help in matching the demand for and the available supply of Arab technicians and professionals whether in the Arab region itself or among immigrants elsewhere (it would be useful to establish a competent information office attached to one of the Arab League organs to receive, classify and provide information about supply of and demand for some specialized skills);

(k) To prepare constitutional and planning studies necessary to reconcile the national sovereignty of each State with the interest of the Arab region as a whole;

(l) To hold regular meetings among planners in Arab States for the exchange of views on common technical problems.

III. THE PLANNED GROSS DOMESTIC PRODUCT

Planned gross domestic product at the country level

Table 6 gives general data on development plans in 13 Arab States as regards the duration of the plans, GDP at factor cost in the base years and the targets for GDP at the end of the plans. The table also shows expected average annual rates of growth, the per capita GDP in the base years, and the planned annual rates of growth in per capita GDP.

Table 6 indicates that the average rate of planned annual growth of GDP (at factor cost) reaches its highest level in the Libyan Arab Republic (9.5 per cent), followed by Saudi Arabia (9.3 per cent), Algeria and Lebanon (8.9 per cent) and Iraq (8.5 per cent). For most of the other Arab States the rate ranges from about 6 to 8 per cent. Higher rates might have been observed had this study encompassed development plans in the oil-producing countries of the Persian Gulf; their plans, however, were not available for the study.

The highest planned rate of annual growth in per capita GDP is in Saudi Arabia (7.4 per cent), Iraq (5.9 per cent), Algeria and the Libyan Arab Republic (5.8 per cent), and Lebanon (5.6 per cent). For Jordan, the Sudan, the Syrian Arab Republic and Egypt, the rate is somewhat higher than 4 per cent. The over-all average rate of annual growth in per capita GDP of countries included in the study amounts to 4.3 per cent, which is nearly equal to the average of 4.6 per cent achieved in the 1960s, as indicated in table 3. The figure for the planned average would no doubt be higher if the Arab oil-producing countries of the Gulf were taken into consideration.

In contrast, in the unofficial plan of Kuwait there seems to be a continuous tendency towards a decrease in per capita GDP. This is owing to the inflow of labour. Nevertheless, the individual in Kuwait still enjoys on the average the highest share of GDP in comparison with citizens of other Arab States in the mid-1970s.

Sectoral production targets

Table 7 shows the planned share of different sectors in GDP (at factor cost) in the 13 States under study. The output, share in GDP and planned annual growth rates of each sector are indicated in the sections that follow.

Table 6. Planned GDP and per capita GDP of 13 Arab States
(At factor cost)

State	Term of the plan	Duration of the plan (years)	GDP: In the base year (thousand dollars)	GDP: At the end of the plan (thousand dollars)	GDP: Expected average annual growth rate (percentage)	Per capita GDP: In the base year (dollars)	Per capita GDP: At the end of the plan (dollars)	Per capita GDP: Expected average annual growth rate (perce . ,e)
Algeria	1970-1973	4	2 973 400 a/	4 270 812 a/	8.9	225 b/	285 b/	5.8
Democratic Yemen	1971/72-1973/74	3	...	...	...	...	...	...
Egypt	1973-1977	5	6 612 270	9 361 000	6.9	180	235	4.3
Iraq	1970-1974	5	3 072 160	4 614 680	8.5	282	380	5.9
Jordan	1973-1975	3	609 000 c/	765 800	7.7	253	292	4.7
Kuwait	1967/68-1971/72	5	2 242 800	3 074 400	6.3	3 935 d/	3 704 d/	-1.8
Lebanon	1972-1977	6	1 511 457 e/	2 586 920 f/	8.9 g/	569 h/	[illegible] h/	5.6
Libyan Arab Republic	1972/73-1974/75	3	4 587 400	6 188 980	9.5	2 262	2 702	5.8
Morocco	1973-1977	5	4 333 975	5 773 011	5.7	...	...	...
Saudi Arabia	1970/71-1974/75	5	3 860 245 i/	6 155 555	9.3	490	725	7.4
Sudan	1970/71-1974/75	5	1 630 434	2 343 265	7.2	108	134	4.3
Syrian Arab Republic	1971-1975	5	1 560 471	2 316 986 j/	7.8	257	326	4.6
Tunisia	1973-1975	4	1 864 165	2 451 041	6	335	417	5.4

a/ The plan has not indicated whether these figures represent value added at market prices or at factor cost.

b/ Per capita GDP was estimated on the basis of the size of population in the base year and the final year of the plan as 13.2 million persons and 15 million persons respectively.

c/ GDP in the base year is not available and was replaced by the product of 1972.

d/ According to the population size in 1967, estimated at 570,000 persons, and in 1971, estimated at 830,000 persons.

e/ The figure is for 1969.

f/ Projected at a compound rate of 7 per cent mentioned in the plan.

g/ The plan adopts a compound rate of growth of 7 per cent at constant prices; hence it was possible to project this target at 1969 prices.

h/ Based on an estimate of the population at 2,726,000 persons in 1970 and a compound rate of population growth of 2.5 per cent.

i/ Quoted in the Statistical Bulletin of the Economic Research Department of the Saudi Arabian Currency Corporation. Ragab 1392 Hirjra (1972): pages 61-62.

j/ Gross domestic product at factor cost in prices of 1970.

The planned annual rates of growth in agriculture are highest in the two desert oil-producing States, namely the Libyan Arab Republic (12.2 per cent) and Kuwait (11.3 per cent).

These planned rates of growth will effect structural change in the form of an increase in the share of agricultural output in GDP at factor cost in four States, namely, the Sudan from 41.7 to 48.1 per cent, Iraq from 18.4 to 20.4 per cent, the Libyan Arab Republic from 2.4 to 24.4 per cent and Kuwait from 0.5 to 0.7 per cent. These States have the highest annual rates of growth in the agricultural sector.

On the other hand, the share of agricultural output is declining in five States, namely, in Egypt from 29 to 17.5 per cent, the Syrian Arab Republic from 22.6 to 19.5 per cent, Tunisia from 21.5 to 18.4 per cent, Algeria from 16.3 to 12.3 per cent and Jordan from 18 to 17.1 per cent.

The data suggest that the agricultural sector has developed relatively slowly among the sectors in the Arab region. This observation might justify the fears of a crisis in agricultural output in the region.

The implementation of these plans would result in a considerable increase in the share of manufacturing output in GDP in all States included in the study. The planned output in different branches of the manufacturing sector is indicated later.

The production of crude oil and natural gas represents the major part of the output of extractive industries in some Arab States. The planned development in these industries will result in relatively minor structural changes in the share of the sector's output in GDP in the States under study.

The planned rates of growth in construction will result in a slight increase in the share of the sector's output in GDP in all States except the Sudan where the share of the sector in GDP is expected to decrease from 4.4 to 3.4 per cent.

Among the countries considered, Egypt gives the highest priority to the transport and communications sector; the planned annual rate of growth of this sector is 15.4 per cent. The share of this sector in GDP will increase in Egypt from 5.7 to 8.7 per cent, in the Libyan Arab Republic from 3.5 to 4.1 per cent and in Saudi Arabia from 7.5 to 8.7 per cent.

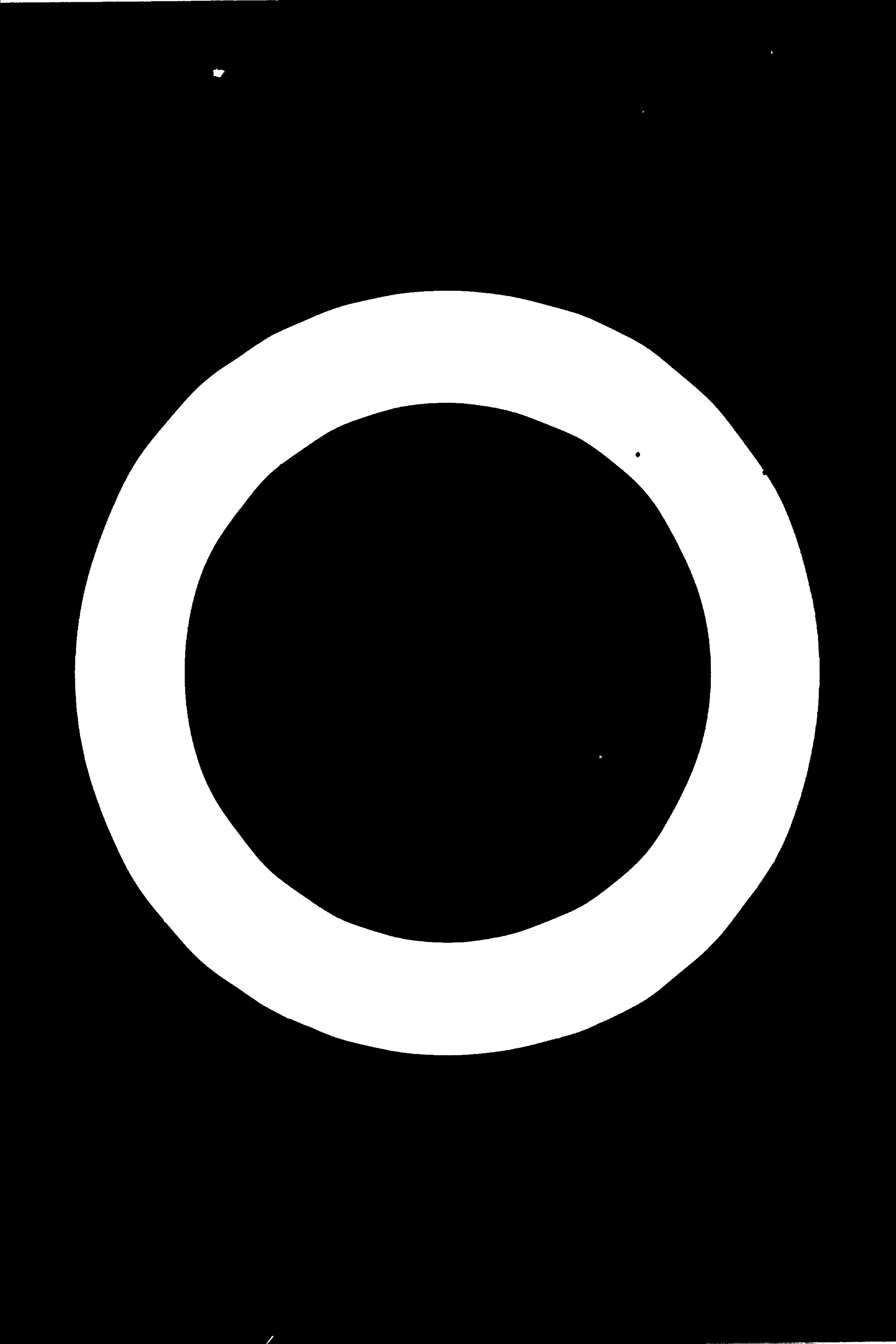
State	Term of the plan	Agriculture: Base year: Output (thousand dollars)	Agriculture: Base year: Share in GDP (percentage)	Agriculture: Final year: Output (thousand dollars)	Agriculture: Final year: Share in GDP (percentage)	Agriculture: Planned annual growth rate (percentage)	Manufacturing: Base year: Output (thousand dollars)	Manufacturing: Base year: Share in GDP (percentage)	Manufacturing: Final year: Output (thousand dollars	Manufacturing: Final year: Share in GDP (percentage)	Manufacturing: Planned annual growth rate (percentage)	[illegible]: Output (thous dollar
Algeria	1970-1973	486 124	16.3	546 892	12.8	2.8	516 508	17.4	957 059	22.4	15.4	528
Democratic Yemen	1971/72-1973/74	...	...	...	...	...	...	...	...	...	...	..
Egypt	1973-1977	1 918 200	29.0	1 012 289	17.5	3.5	350 330	20.4	2 126 580	22.[illegible]	9.0	185
Iraq	1970-1974	565 600	18.4	938 280	20.4	...	288 400	9.4	550 200	11.9	12.5	1 008
Jordan	1973-1975	109 200	18	131 320	17.1	6.1	67 200	11	99 400	13	12.8	8
Kuwait	1967/68-1971/72	11 200	0.5	19 600	0.7	11.3	81 200	3.6	126 000	4.[illegible]	8.8	1 419
Lebanon	1972-1977	142 882	9.5	156 300	2.5	4.5	201 722	13.6	...	...	9.1	34
Libyan Arab Republic	1972/73-1974/75	108 000	2.4	2 282 920	24.4	12.2	73 600	1.6	133 800	2.2	19.8	2 947
Morocco	1973-1977	877 831	20.3	...	...	2.8	757 590	15.6	...	19.[illegible]	7.3	342
Saudi Arabia	1970/71-1974/75	222 822	5.8	278 978	4.5	4.5	342 178	8.9	562 689	9.1	16.5	1 887
Sudan	1970/71-1974/75	685 833	41.7	1 098 540	48.1	9.4	147 046	9.0	231 483	9.0	15.0	..
Syrian Arab Republic	1971-1975	351 650	22.6	450 942	19.5	8.8	303 743	19.5	632 486	27.3	14.7	..
Tunisia	1973-1976	400 625	21.5	449 583	18.4	2.8	193 958	10.4	301 667	12.3	10.9	147

Table 7. Output, share in GDP and planned annual growth rates, by economic sector, in 13 Arab States
(At factor cost)

...facturing			Extractive industries and utilities					Construction					Transport and communications				
Final year		Planned annual growth rate	Base year		Final year		Planned annual growth rate	Base year		Final year		Planned annual growth rate	Base year		Final year		Planned annual growth rate
Output (thousand dollars	Share in GDP (percentage)		Output (thousand dollars)	Share in GDP (percentage)	Output (thousand dollars)	Share in GDP	(percentage)	Output (thousand dollars)	Share in GDP (percentage)	Output (thousand dollars)	Share in GDP	(percentage)	Output (thousand dollars)	Share in GDP (percentage	Output (thousand dollars)	Share in GDP	(percentage
957 059	22.4	15.4	528 662	17.7	812 234	19.0	10.6	206 603	7.0	465 870	11	17.9	121 532	4.1	[illegible] 914	3.5	5.9
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
126 580	22.7	9.0	185 610	2.8	377 200	4	14.2	262 200	4.0	408 250	4.4	8.8	376 050	5.7	[illegible] 740	8.7	15.4
550 200	11.9	12.5	1 008 000	32.8	1 246 280	27	4.2	103 320	3.4	272 160	5.9	19.5	193 480	6.3	294 320	6.5	8.6
99 400	13	12.8	8 120	1.3	12 880	1.7	15.3	32 200	5.3	44 240	5.8	10.5	47 600	1.8	[illegible]	6.8	2.9
126 000	4.1	8.8	1 419 600	63.3	1 915 200	62.3	5.9	106 400	4.7	148 400	4.8	6.6	61 600	2.8	[illegible] 600	2.9	7.4
...	...	9.1	34 503	2.3	...	...	...	71 589	4.7	...	...	6.0	126 778	8.4	...	...	6.7
133 800	2.2	19.8	2 942 100	64.2	3 677 500	60.2	7.2	313 100	6.8	525 900	8.6	17.0	182 000	3.5	252 300	4.1	14.5
...	19.1	7.3	342 892	7.9	519 277	8.9	8.2	168 193	3.8	304 096	5.2	11.8	145 060	3.3	170 843	3.2	3.3
562 689	9.1	16.5	1 887 244	48.9	2 944 267	47.8	14.8	186 978	4.8	306 622	5	14.1	290 457	7.5	532 622	8.7	15.1
231 483	9.06	15.0	...	...	...	...	...	71 226	4.4	82 426	3.4	4.7	97 648	6	148 770	6.2	8.4
632 486	27.3	14.7	...	...	...	...	...	55 603	3.6	95 837	4.1	10.9	164 633	10.0	262 774	11.3	9.4
301 667	12.3	10.9	147 708	7.9	193 333	7.9	6.6	136 458	7.3	21 333	8.7	11.1	118 542	6.4	164 167	6.7	8.0

States

ned l th e)	Transport and communications: Base year: Output (thousand dollars)	Base year: Share in GDP (percentage)	Final year: Output (thousand dollars)	Final year: Share in GDP (percentage)	Planned annual growth rate (percentage)	Retail and wholesale trade: Base year: Output (thousand dollars)	Base year: Share in GDP (percentage)	Final year: Output (thousand dollars)	Final year: Share in GDP (percentage)	Planned annual growth rate (percentage)	Other activities: Base year: Output (thousand dollars)	Base year: Share in GDP (percentage)	Final year: Output (thousand dollars)	Final year: Share in GDP (percentage)	Planned annual growth rate (percentage)
[illegible]	121 532	4.1	151 914	3.5	5.9	749 443	25.2	911 485	31.3	4.9	364 594	12.3	425 360	10	3.9
[illegible]	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
[illegible]	376 050	5.7	813 740	8.7	15.4	598 920	9.1	835 820	8.9	6.7	1 920 960	29	2 517 120	26.9	5.4
[illegible]	193 480	6.3	299 320	6.5	8.6	295 680	9.6	412 440	8.9	6.6	617 680	20.1	896 000	19.4	...
[illegible]	47 600	1.8	51 [illegible]00	6.8	2.9	113 680	18.7	141 960	18.5	7.4	231 000	37.9	284 200	37.1	6.9
[illegible]	61 600	2.8	89 600	2.9	7.4	179 200	8	252 000	8.2	6.9	383 600	17	523 600	17	6.2
[illegible]	126 778	8.4	...	...	6.7	475 132	13.5	...	...	6.7	458 841	30.3	...	...	...
[illegible]	102 000	3.5	252 300	4.1	14.5	152 000	3.3	221 900	3.7	12.6	836 600	18.2	1 141 200	18.7	10.3
[illegible]	145 060	3.3	170 843	3.2	3.3	1 110 120	25.6	1 413 253	25.4	4.8	932 289	21.5	1 255 181	21.7	6
[illegible]	290 457	7.5	532 622	8.7	15.1	278 289	7.2	508 089	8.3	11.9	652 267	16.9	1 022 288	16.6	9
[illegible]	97 648	6	148 770	6.2	8.4	247 854	15.3	334 588	14	6.0	380 827	23.4	447 458	18.7	...
[illegible]	164 633	10.0	262 774	11.3	9.4	226 806	14.5	268 115	11.6	3.3	458 036	25.4	606 832	26.2	...
[illegible]	118 542	6.4	164 167	6.7	8.0	258 958	13 9	363 542	14.8	8.4	607 916	32.6	765 416	31.2	5.9



There will be a slight increase in the share of retail and wholesale trade in GDP in three States, namely, Kuwait from 8 to 8.2 per cent, Saudi Arabia from 7.2 to 8.3 per cent and Tunisia from 13.9 to 14.8 per cent.

Planned output for major groups of manufacturing industry

Data on planned output in the major groups of manufacturing industry and on the share of each group in the output of the sector was available for only five States, namely, Algeria, Egypt, the Libyan Arab Republic, Morocco and Tunisia. Data on the major groups of manufacturing industry and their relative importance in Jordan and the Syrian Arab Republic were available only for the base year of the respective national plans (see table 8).

Consumption of intermediate and capital goods

Table 9 gives the distribution of the planned output of the manufacturing sector between consumer goods and intermediate and capital goods, and their respective rates of growth, for seven States for which data were available.

The following observations may be made on the basis of the data in table 9:

(a) The share of consumer goods in manufacturing output is greater than that of intermediate and capital goods in the base year of the plans of all States under study except Jordan;

(b) This situation was expected to be basically the same in the final year of the plans, with some reduction in the share of consumer goods (especially in the Libyan Arab Republic) in favour of intermediate and capital goods.

Table 8. Planned output for major groups of manufacturing industry in selected Arab States

	Algeria,a/ 1970-1973		Egypt,b/ 1973-1977		Jordan, 1973-1975		Libyan Arab Republic,c/ 1972/73-1974/75		Morocco, 1973-1977		Syrian Arab Republic,d/ 1971-1975		Tunisia, 1973-1976	
	Base year	Final year	Base year	Final year	Base year	Final year	Base year	Final year	Base year	Final year	Base year	Final year	Base year	Final year
Food, beverages and tobacco (ISIC 31)														
Output (thousand dollars)	91 148	138 950	305 670	356 730	66 640	...	52 075	70 984	276 867	363 614	75 615	...	82 917	84 167
Share in manufacturing output (percentage)	23.2	19	22.6	16.8	...	...	39.9	32.5	36.5	33.0	28.5	...	42.8	27.9
Average annual growth rate (percentage)	10.5		3.1		...				5.4		...		0.25	
Textile and wearing apparel (ISIC 321, 322)														
Output (thousand dollars)	86 672	154 183	446 410	578 850	...	...	4 651	12 342	190 843	272 530	115 289	...	37 292	83 750
Share in manufacturing output (percentage)	22.1	21.1	33.1	27.3	...	...	3.6	5.7	25.2	25.0	43.4	...	19.2	27.8
Average annual growth rate (percentage)	14.4		5.3		...		32.5		7.2		...		20.3	
Wood products and furniture (ISIC 33)														
Output (thousand dollars)	e/	e/	40 400	59 961	582	...	8 938	10 549	26 265	33 976	17 000	...	6 250	11 458
Share in manufacturing output (percentage)	e/	e/	3.0	2.8	...	...	8.8	4.8	3.4	3.0	6.5	...	3.2	3.8
Average annual growth rate (percentage)	e/		7.8		...		5.5		5.0		...		15.4	
Paper, printing and publishing (ISIC 34)														
Output (thousand dollars)	e/	e/	35 663	57 349	1 419	...	...	...	35 663	57 349	3 007	...	11 250	24 375
Share in manufacturing output (percentage)	e/	e/	4.7	5.2	...	...	...	...	4.7	5.2	1.1	...	5.8	8.8
Average annual growth rate (percentage)	e/		9.5		...		...		9.5		...		19.4	
Chemicals, petroleum, coal and rubber products (ISIC 35)														
Output (thousand dollars)	36 390	80 515	201 050	352 107	94 192	...	30 857	80 080	80 434	107 004	18 380	...	17 500	36 250
Share in manufacturing output (percentage)	9.2	12.1	14.8	16.5	...	...	30.4	31.2	9.0	9.9	6.1	...	9	12
Average annual growth rate (percentage)	22.2		11.2		...		18		8.8		...		18.9	
Non-metallic mineral products (ISIC 36)														
Output (thousand dollars)	29 978	59 490	60 950	82 510	...	...	14 250	25 670	39 277	66 900	13 142	...	13 125	21 458
Share in manufacturing output (percentage)	7.6	8.1	4.5	3.9	...	...	10.8	11.9	5.2	6.0	4.8	...	8.8	7.1
Average annual growth rate (percentage)	17		6		...		18.8		10.7		...		12.2	
Basic metals (ISIC 37)														
Output (thousand dollars)	1 722	53 393	62 100	210 718	804	...	7 782	26 752	...	5 542	...	...	...	...
Share in manufacturing output (percentage)	4.3	7.3	4.8	9.9	...	...	6	12.3	...	0.5	...	...	...	...
Average annual growth rate (percentage)	28.3		24.5		...		40.8		...		...		...	
Metal products, machinery and equipment (ISIC 38)														
Output (thousand dollars)	44 561	165 327	152 260	373 082	2 344	...	...	...	120 241	181 004	22 043f/	...	25 625	40 200
Share in manufacturing output (percentage)	11.3	14.4	11.3	17.5	...	...	...	...	16.0	17.4	8.2	...	13.2	13.8
Average annual growth rate (percentage)	21.5		17.9		...		...		9.3		...		11.3	
Other manufactures (ISIC 39)														
Output (thousand dollars)	89 600g/	129 830g/	18 860	33 647	...	...	3 100	3 526	...	...	3 231	...	...	...
Share in manufacturing output (percentage)	21.9	17.7	1.4	1.6	...	...	2.4	1.6	...	...	1.2	...	...	...
Average annual growth rate (percentage)	9.3		11.6		...		4.4		...		...		...	

a/ This figure is obtained from the industrial plan and differs from that in the development plan.

b/ Obtained from the revised draft of the economic and social development plan of 26 June 1974, Ministry of Planning, Egypt.

c/ Obtained from the industrial plan and differs from that in the development plan.

d/ At market prices.

e/ Grouped with other industries.

f/ including basic metal industries.

g/ Including traditional industries.

Table 9. Distribution of planned manufacturing output between consumer goods and intermediate and capital goods in selected Arab States

State	Term of the plan	Consumer goods[a/] Base year Output (million dollars)	Consumer goods Base year Share in manufacturing output (percentage)	Consumer goods Final year Output (million dollars)	Consumer goods Final year Share in manufacturing output (percentage)	Consumer goods Average annual growth rate (percentage)	Intermediate and capital goods[b/] Base year Output (million dollars)	Intermediate and capital goods Base year Share in manufacturing output (percentage)	Intermediate and capital goods Final year Output (million dollars	Intermediate and capital goods Final year Share in manufacturing output (percentage)	Intermediate and capital goods Average annual growth rate (percentage)
Algeria	1970-1973	267.4	70.4	422.9	58	11.4	112.7	29.6	306.7	42	24.8
Egypt	1973-1977	874.0	64.7	1 107.8	52.1	4.8	476.4	35.3	1 018.9	47.9	15.2
Jordan	1973-1975	74.5	42	...	...	...	102.9	58	...	...	...
Libyan Arab Republic	1972/73-1974/75	68.8	52.7	97.4	44.7	11.7	61.5	47.3	120.7	55.3	22.4
Morocco	1973-1977	529.6	69.9	727.5	66.2	6.3	227.9	30.1	370.7	33.8	9.7
Syrian Arab Republic	1971-1975	214.1	80.6	...	...	...	51.5	19.4	...	...	...
Tunisia	1973-1976	137.7	71	203.8	67.5	9.8	56.3	29	97.9	32.5	13.9

a/ Food, beverages and tobacco (ISIC 31); textiles, wearing apparel and leather products (ISIC 321-324); wood products and furniture (ISIC 33); paper, printing and publishing (ISIC 34); other manufactures (ISIC 39).

b/ Chemical, petroleum, coal, rubber and plastic products (ISIC 35); non-metallic mineral products (ISIC 36); basic metals (ISIC 37); metal products, machinery and equipment (ISIC 38).

IV. PLANNED GROSS FIXED INVESTMENT

Planned rates of investment and saving

Table 10 indicates planned gross fixed domestic investment and domestic gross savings for the years of the plan for each State. It also shows the planned rate of investment (the average planned rate of investment relative to GDP during the years of the plan), and the planned domestic rate of savings (gross domestic savings relative to planned GDP during the years of the plan). GDP is estimated in each case at factor cost.

Planned rates of investment

Most Arab States under study aim at high rates of fixed gross domestic investment. In Algeria the planned rate is 36.2 per cent, in the Libyan Arab Republic, Morocco and Tunisia the rate ranges between 25 and 28 per cent, and in Kuwait, Lebanon, Iraq and the Syrian Arab Republic it ranges between 17 and 23 per cent. On the other hand, the planned average rate is 15 to 16 per cent in Egypt and Saudi Arabia, and 11 per cent in the Sudan.

Planned rates of domestic savings

Some States have the aim of raising the average domestic rate of savings, for example, the Libyan Arab Republic to 44.3 per cent, Iraq to 27.8 per cent, Kuwait to 26.6 per cent, Tunisia to 22.5 per cent, and the Syrian Arab Republic to 17.8 per cent. On the other hand, the planned average rate of domestic savings does not exceed 15.3 per cent in Jordan, 14 per cent in Egypt and 8.2 per cent in the Sudan.

Direct data about the existence of savings gaps or surpluses were not readily available in all plans. The ratio of gross domestic savings to fixed domestic investment is an indirect indicator of the financing situation, however. This ratio varies considerably from one State to another. In the oil-producing States it is high, as much as 162.5 per cent in Kuwait, 158.8 per cent in the Libyan Arab Republic, and 102.2 in Iraq, and it reflects the existance of a savings surplus not invested in development plans in these countries. On the other hand, the available data point to the existence of a deficit in the domestic sources of finance in the plans of some other Arab States. The ratio of domestic savings to fixed domestic investment is 92.3 per cent in

Table 10. Planned gross fixed domestic investment and domestic savings in 13 Arab States

State	Term of the plan	Planned GDP a/ (thousand dollars)	Planned investment: Gross fixed domestic investment (A) (thousand dollars)	Planned investment: As percentage of planned GDP	Planned savings: Gross domestic savings (B) (thousand dollars)	Planned savings: As percentage of planned GDP	Ratio of gross domestic savings to gross fixed domestic investment, (B)/(A)
Algeria	1970-1973	15 123 354	5 617 582 b/	36.2	...	...	...
Democratic Yemen	1971/72-1973/74	...	94 723	...	50 425	...	53.2
Egypt	1973-1977	46 416 300	7 084 920 c/	15.3	6 545 800	14.0	92.3
Iraq	1970-1974	19 746 720	4 504 822	22.7	5 489 680	27.8	102.2
Jordan	1973-1975	2 130 800	501 250	23.5	326 200	15.3	60
Kuwait	1967/68-1971/72	13 703 508	2 343 600	17.1	3 808 000	26.6	162.5
Lebanon	1972-1977	13 244 700 d/	2 384 106	18.0	...	...	...
Libyan Arab Republic	1972/73-1974/75	16 797 982	4 687 072	27.9	7 444 352	44.3	158.8
Morocco	1973-1977	25 173 492	6 422 409	25.5	...	...	...
Saudi Arabia	1970/71-1974/75	25 724 133	4 085 000 e/	15.9	...	...	...
Sudan	1970/71-1974/75	10 115 184 f/	1 105 720	10.93	789 800	8.2	71.4
Syrian Arab Republic	1971-1975	9 946 701	2 094 241	21.0	1 770 419	17.8	84.5
Tunisia	1973-1976	8 766 250	2 487 917	28.4	1 969 167	22.5	79

a/ GDP at factor cost.

b/ This figure refers to "public investments" by which is meant investment at the disposal of the State or over which it has control through the ownership of 50 per cent or more of equity capital. The figure is for net fixed investment. Inventories are excluded according to the table on page 86 of the general plan.

c/ This figure comprises the value of the land.

d/ Estimates of domestic product during the six years of the plan were obtained by applying the compound rate of growth of 7 per cent as the target of the plan to the figure representing the actual domestic product in 1969.

e/ Although the plan implies that this sum comprises both fixed domestic investment and working capital, it was impossible to distinguish the one from the other.

f/ GNP.

Egypt, 84.5 per cent in the Syrian Arab Republic, 79 per cent in Tunisia, 71.4 per cent in the Sudan, 60 per cent in Jordan, and 53.2 per cent in Democratic Yemen during the years of their respective plans.

Role of sectors in the investment and savings processes

Table 11 indicates the planned gross fixed domestic investment in the plans of some Arab States and its distribution among government, public, joint and private sectors. The following basic observations may be made:

(a) The combined share of planned investment by the Government and public sectors of the total gross fixed investment differs from one State to another;

(b) The planned share of the joint sector (public and private) in investment is restricted in most Arab countries under study, with the exception of of Morocco where it is 24.4 per cent and Kuwait where it is 7.2 per cent;

(c) The planned share of the private sector in investment is about 76 per cent in Lebanon; it ranges between 40 and 44 per cent in Jordan, the Sudan and Tunisia, 32 and 35 per cent in Kuwait and the Libyan Arab Republic, 18 and 21 per cent in Iraq, Morocco and the Syrian Arab Republic, and it is about 8 per cent in Egypt. The plan of Democratic Yemen mentions only government investment.

Table 12 gives the planned sources of gross domestic savings and the share of the Government, the household, and the business sectors in the process of savings; the business sector is divided into three branches: public, private and joint. The last two columns of the table show the share of the Government and public sectors together, and the household and private sectors together in total gross domestic savings in each State.

Table 12 indicates that domestic financing is undertaken to a fairly considerable extent by the Government and public sectors, up to 87.5 per cent in Democratic Yemen, 73.2 per cent in the Syrian Arab Republic, 72 per cent in Tunisia and 68.3 per cent in Iraq. These States are followed by the Sudan (38.2 per cent) and Jordan (9.6 per cent). The contribution of the private and household sectors in forming domestic savings is highest in Jordan (90 per cent), followed by the Sudan (61.8 per cent), Iraq (31.7 per cent), Tunisia (28 per cent), the Syrian Arab Republic (26.8 per cent) and Democratic Yemen (12.5 per cent). No data were available for the other States.

Table 11. Distribution of planned gross fixed domestic investment, by public and private sector, in 13 Arab States

State	Term of the plan	Planned gross fixed domestic investment										Total investment (thousand dollars)
		Government sector (A)		Public sector (B)		(A) + (B)		Joint sector		Private sector		
		Investment (thousand dollars)	Share in total (percentage)	Investment (thousand dollars)	Share in total (percentage)	Investment (thousand dollars)	Share in total (percentage)	Investment (thousand dollars)	Share in total (percentage)	Investment (thousand dollars)	Share in total (percentage)	
Algeria	1970-1973	...	...	...	...	...	...	...	...	...	...	5 617 581
Democratic Yemen	1971/72-1973/74	94 723	100	...	...	94 723	100	...	...	...	...	94 723
Egypt	1973-1977	...	...	6 506 470	91.8	6 506 470	91.8	...	...	578 450	8.2	7 084 920
Iraq	1970-1974	2 310 974	51.3	1 391 990	30.9	3 702 964	82.2	...	...	801 858	17.8	4 504 822
Jordan	1973-1975	...	...	278 695	55.6	278 695	55.6	...	...	222 555	44.4	501 250
Kuwait	1967/68-1971/72	...	...	1 419 600	60.6	1 419 600	60.6	168 000	7.2	756 000	32.2	2 343 600
Lebanon	1972-1977	576 159	24.2	...	...	576 159	24.2	...	...	1 807 947	75.8	2 384 106
Libyan Arab Republic	1972/73-1974/75	...	...	3 065 345	65.4	3 065 345	65.4	...	...	1 621 727	34.6	4 687 072
Morocco	1973-1977	2 729 524	42.5	796 378	12.4	3 525 902	54.9	1 567 060 a/	24.4	1 329 439	20.7	6 422 408
Saudi Arabia	1970/71-1974/75	...	...	...	...	...	...	...	...	...	...	4 085 000
Sudan	1970/71-1974/75	617 480 b/	55.9	...	...	617 480	55.8	...	...	488 240	44.2	1 105 720
Syrian Arab Republic	1971-1975	153 403	7.4	1 534 294	73.2	1 687 697	80.6	...	...	406 544	19.4	2 094 241
Tunisia	1973-1976	594 375	23.9	977 917	35.3	1 472 292	58.2	...	...	1 015 625	40.8	2 487 917

a/ Government and public sector.

b/ Commercial banks.

Table 12. Distribution of planned gross domestic savings, by source, in selected Arab States

State	Term of the plan	Total gross domestic savings (thousand dollars)	Source of planned domestic savings								Share of (A)+(C) in total gross domestic savings (percentage)	Share of (B)+(D) in total gross domestic savings (percentage)
			Government sector (A)		Household sector (B)		Business sector					
							Public (C)		Private sector (D)			
			Savings (thousand dollars)	Share in total (percentage)	Savings (thousand dollars)	Share in total (percentage)	(thousand dollars)	Share in total (percentage)	Savings (thousand dollars)	Share in total (percentage)		
Democratic Yemen	1971/72-1973/74	56 425	36 158	71.7	...	...	7 961	15.8	12 306	12.5	87.5	12.5
Iraq	1974/75	5 489 680	2 364 600	43.1	975 800	17.8	1 387 400	25.2	761 880	13.9	68.3	31.7
Jordan	1973-1975	326 200	29 120	9.6	...	...	...	...	297 080 a/	90.4	9.6	90.4
Kuwait	1967/68-1971/72	2 553 600	1 503 600	...	...	...	...	...	1 050 000	...	...	...
Sudan	1970/71-1974/75	789 800	...	...	...	...	301 560	38.2	488 240	61.8	38.2	61.8
Syrian Arab Republic	1971-1975	1 770 419	123 037	7.0	475 916 a/	26.8	1 171 466	66.2	...	...	73.2	26.8
Tunisia	1973-1976	1 969 167	505 000	25.7	552 083	28	912 084 b/	46.3	...	...	72	28

a/ Private sector and household sector.

b/ Comprising the savings of public and private institutions and of financial institutions.

Planned gross fixed investment and its distribution among economic sectors

Table 13 gives planned gross fixed domestic investment and its distribution among various economic sectors for 13 Arab States during the term of their plans. The percentage of planned investment of each sector in total planned gross fixed domestic investment is also indicated.

The Syrian Arab Republic allocates the highest share of its planned gross investment (31.5 per cent) to the agricultural sector. Iraq allocates 22.8 per cent to this sector, the Sudan 27.8 per cent, and Democratic Yemen 26.6 per cent. Apart from Democratic Yemen, which gives great attention to the development of fisheries, Iraq, the Syrian Arab Republic and the Sudan all have extensive agricultural development. Egypt, Jordan, Morocco and Tunisia allocate the next largest shares of investment to the agricultural sector. The three oil-producing countries have the lowest investment in agriculture: 8.9 per cent in the Libyan Arab Republic, 2.7 per cent in Saudi Arabia and 1.4 per cent in Kuwait.

Egypt plans to allocate 40 per cent of gross fixed investment to the manufacturing and extractive sectors together. Available data on other Arab States covered by the study indicate that Morocco plans to allocate the highest share (37.2 per cent) of gross fixed investment to the manufacturing sector, followed by Democratic Yemen (22.5 per cent), Iraq (18.7 per cent), the Syrian Arab Republic and the Sudan (about 15 per cent each), the Libyan Arab Republic and Tunisia (about 13 per cent each), and Jordan and Kuwait (about 10 per cent each). The lowest planned share is in Saudi Arabia (3.6 per cent).

Most of the States under study distribute planned investment in the construction sector among other sectors; hence, few data are available for this sector alone. The sector's share is known for three States; it ranges between 21.1 per cent in Kuwait to less than 2 per cent for Egypt and the Libyan Arab Republic.

All 13 Arab States under study accord high ratios of investment to the transport and communications sector. The highest ratio is for Democratic Yemen (32.3 per cent), followed by Jordan (23.7 per cent), Egypt (22 per cent), Kuwait and Saudi Arabia (18 per cent each).

Table 13. Distribution of planned gross fixed domestic investment, by economic sectors in 13 Arab States

State	Term of the plan	Total planned gross fixed domestic investment (thousand dollars)	Agriculture		Manufacturing industries		Other industries		Construction		Transportation and communications		Retail and wholesale trade		Other activities	
			Investment (thousand dollars)	Share in total (percentage)	Investment (thousand dollars)	Share in total (percentage)	Investment (thousand dollars)	Share in total (percentage)	Investment (thousand dollars)	Share in total (percentage)	Investment (thousand dollars)	Share in total (percentage)	Investment (thousand dollars)	Share in total (percentage)	Investment (thousand dollars)	Share in total (percentage)
Algeria	1970-1973	5 617 581	838 566	14.9	1 294 713	23	1 216 933	21.7	a/	a/	440 956	7.8	...	...	1 826 413	32.5
Democratic Yemen	1971/72-1973/74	94 723	25 213	26.6	21 355 b/	22.5	6 210 c/	6.6	...	...	30 621	32.3	...	...	11 324	12.0
Egypt	1973-1977	7 084 920	914 250	12.9	2 837 280 b/	40.0	...	...	82 800	1.2	1 566 530	22.1	57 270 d/	0.8	1 626 790 e/	23.0
Iraq	1970-1974	4 504 822	1 028 955	22.8	843 226	18.7	958 418	21.3	a/	a/	520 436	11.6	91 000	2.0	1 062 788	23.6
Jordan	1973-1975	501 250	77 437	15.5	54 656	10.9	45 867	9.2	a/	a/	119 1.7	23.7	2 170	0.4	202 003 f/	40.3
Kuwait	1967/68-1971/72	2 343 600	33 600	1.4	240 800	10.3	579 040	24.7	495 600 g/	21.1	426 160	18.2	61 600 h/	2.6	506 800	21.6
Lebanon	1972-1977	2 384 106	86 755 i/	3.6	15 232	0.6	61 258 j/	2.6	a/	a/	122 185 k/	5.1	...	...	188 079	6.1
Libyan Arab Republic	1972/73-1974/75	4 687 072	412 200	8.9	629 900	13.6	1 595 100	34.5	66 000	1.4	641 700	13.9	27 700	0.6	1 314 500	28.4
Morocco	1973-1977	6 422 409	108 875	15.8	2 355 903 b/	37.2	...	...	a/	a/	543 133	8.6	2 434 698 l/	38.4	...	...
Saudi Arabia	1970/71-1974/75	4 085 000	109 755	2.7	172 600 b/	3.6	...	...	a/	a/	1 268 712	18.1	9 733	0.3	2 524 200 m/	75.3
Sudan	1970/71-1974/75	1 105 720	305 868	27.8	173 469	15.8	36 762 j/	3.3	a/	a/	174 129	15.7	a/	a/	415 492	37.4
Syrian Arab Republic	1971-1975 1971-1975	2 094 241	659 948	31.5	318 325	15.2	350 785	18.0	a/	a/	231 152	11.0	37 958	1.8	496 073	22.4
Tunisia	1973-1976	2 487 917	370 208	14.9	333 751	13.2	463 542	18.8	a/	a/	407 708	16.4	38 125	1.5	874 583	35.2

a/ Distributed among other sectors.

b/ Including manufacturing and other industries.

c/ Geological excavations and marketing promotion of Yemen Oil Company.

d/ Including trade and financial affairs.

e/ Including potable water.

f/ Including tourism, museums, education, youth care, social welfare, labour, housing, building, health, rural and municipal affairs, public administration, defence, wages and statistics.

g/ Including housing.

h/ Including financing and tourism.

i/ Including irrigation projects.

j/ Including electricity.

k/ Including investment in roads, telecommunications and airports.

l/ Including other activities.

m/ Including public administration, defence, education, vocational training, health and cultural affairs, social welfare, public utilities and city development.

Table 14. Planned investment/output ratios,[a] by economic sector, in 13 Arab States

State	Average for the economy	Agriculture	Manufacturing	Other Industries	Construction	Transport and communications	Retail and wholesale trade	Other activities
Algeria	4.33	13.70	2.93	4.29	...	14.51	8.19[b]	
Democratic Yemen	...	...	...	...	...	...	...	...
Egypt	2.57	2.51	2.93[c]		0.56	3.57	0.24	2.72
Iraq	2.82	2.87	3.22	4.02	...	4.82	0.78	3.82
Jordan	3.19	3.5	1.80	9.64	...	20.36	7.67	3.79
Kuwait	2.01	4.00	5.37	1.16	10.94	15.22	0.84	36.2
Lebanon	2.19	...	10	...	...	...	...	...
Libyan Arab Republic	3.00	8.53	10.46	2.16	0.31	7.10	0.30	4.31
Morocco	4.46	8.80	4.55[c]		...	21.06	3.80[b]	
Saudi Arabia	1.77	1.95	...	...	...	5.23	0.04	6.82
Sudan	1.55	0.74	2.40[c]		...	3.40	2.70[b]	
Syrian Arab Republic	2.76	6.64	2.03[c]		...	2.35	0.92	3.33
Tunisia	4.23	7.56	3.00	10.15	...	8.93	0.36	1.24
Arab region	2.80	4.00	3.72	1.66	0.55	6.28	2.82	5.41

a/ Derived from the development plans. No explanation can be given as to the high ratios in the manufacturing sector in both Lebanon and the Libyan Arab Republic since no information was available about their respective projects in the said sector.

b/ Retail and wholesale trade and other activities combined.

c/ Manufacturing and other industries combined.

Wholesale and retail trade is accorded a relatively small share of total planned gross investment in all the Arab countries under study.

Available data indicate that Morocco will allocate a high ratio, 38.4 per cent of gross fixed investment, to retail and wholesale trade and other activities together.

Table 14 gives the investment/output ratios at the national and sectoral levels for each State. These ratios are derived from the development plans.

Table 15 gives projected shares of major groups of manufacturing industries in total manufacturing investment in selected Arab States, namely, Algeria, Iraq, the Libyan Arab Republic, the Syrian Arab Republic and Tunisia.

Four states plan to give more attention to spinning, weaving, ready-made clothes and leather industries. The Syrian Arab Republic is expected to allocate to this major group 28.5 per cent of its gross fixed domestic investment in the manufacturing sector. Tunisia plans to allocate 25.6 per cent, Iraq 14.1 per cent, Algeria 12 per cent, and the Libyan Arab Republic 11 per cent. These are sizable ratios in all four States relative to the planned ratios of investment in other industrial activities.

Table 15. Projected share of major groups of manufacturing industries in total manufacturing investment in selected Arab States

State	Years of the plan	Food, beverages and tobacco (ISIC 31)		Textiles, wearing apparel and leather products (ISIC 321-324)		Wood products and furniture (ISIC 33)		Paper, printing, publishing (ISIC 34)		Chemical, petroleum, coal rubber and plastic products (ISIC 35)		Non-metallic mineral products (ISIC 36)		Basic metals (ISIC 37)		Metal products, machinery and equipment (ISIC 38)		Other manufactures (ISIC 39)	
		Investment (thousand dollars)	Share in total (percentage)	Investment (thousand dollars)	Share in total (percentage)	Investment (thousand dollars)	Share total (percentage)	Investment (thousand dollars)	Share total (percentage)	Investment (thousand dollars)	Share total (percentage)	Investment (thousand dollars)	Share total (percentage)	Investment (thousand dollars)	Share total (percentage)	Investment (thousand dollars)	Share total (percentage)	Investment' (thousand dollars)	Share total (percentage)
Algeria	1970-1973	132 186	8.4	189 791	12	...	...	...	...	133 887	8.5	226 656	14.4	404 294	25.7	295 524	18.8	188 961	12.0
Iraq	1970-1974	77 168	9.1	120 125	14.1	7 840	0.9	50 400	5.9	439 558	51.6	98 504	11.6	2 800	0.3	49 042	5.8	6 804	0.7
Libyan Arab Republic a/	1972/73-1974/75	88 127	21.4	45 082	11	2 430	5.9	...	...	46 330	11.3	124 053	30.2	...	...	69 817	16.9	13 680	3.3
Syrian Arab Republic	1971-1975	48 994	17.5	79 638	28.5	262	0.1	262	0.1	43 965	15.6	47 670	17.1	5 332	1.9	53 794	19.2	...	...
Tunisia	1973-1976	60 213	18.1	85 416	25.6	6 369	1.9	20 588	6.2	55 000	16.4	70 006	21	...	...	33 825	10.1	2 275	0.7

a/ The industrial plan in the Libyan Arab Republic follows the Gregorian Calendar, while the general plan follows the financial year beginning in July. Therefore, the data on the Libyan Arab Republic, which are derived from the summary of the industrial plan of this country, do not conform with the data of the general plan.

V. PLANNED EMPLOYMENT AND LABOUR PRODUCTIVITY

Planned employment

Table 16 gives the targets for employment in the development plans of 13 Arab States. It indicates for each State the duration of the plan and the total number of workers in the base year and final year of the plan. The annual planned average rates of growth of employment for each State are also included.

Table 16. Projected growth of employment in 13 Arab States

State	Term of the plan	Number of employed persons (thousands)		Incremental change		Planned average annual growth rate of employment (percentage)
		Base year	Final year	Thousand persons	Per-centage	
Algeria	1970-1973	840.5 a/	1 105.0 a/	264.5	31.5	6.7
Democratic Yemen	1971/72-1973/74	21.6 b/	32.7	11.1	51	14.1
Egypt	1973-1977	8 673.3	9 907.0	1 233.7	14.2	2.6
Iraq	1970-1974	2 546.2	3 536.9	990.7	38.9	6.6
Jordan	1973-1975	360.0	430.0	70.0	19.4	5.8
Kuwait	1967/68-1971/72	185.5	237.0	51.5	27.7	4.9
Lebanon	1972-1977	540.0 c/	...	...	...	...
Libyan Arab Republic	1972/73-1974/75	508.5	571.5	63.0	12.3	3.8
Morocco	1973-1977	3 633.0	4 450.0	817.0	22.5	4
Saudi Arabia	1970/71-1974/75	1 180.7	1 492.2	311.5	26.2	4.6
Sudan	1970/71-1974/75	6 438.0	7 093.0	655.0	10.2	1.9
Syrian Arab Republic	1971-1975	1 886.0	2 465.0	579	30.7	5.4
Tunisia	1973-1976	1 382.7	1 501.4	118.7	8.6	2.1

a/ Employment figures for 1968, excluding agricultural employment according to the published plan; domestic servants and workers in traditional rural industries are not included.

b/ For 1969.

c/ For 1970.

Stat	Teres of ths plan	Agriculture: Base year (thousand persons)	Agriculture: Share in totsl (per-centage)	Agriculture: Final year (thousand persona)	Agriculture: Share in total (per-centage)	Agriculture: Average annual growth rate (per-centage)	Manufacturing: Base year (thousand persons)	Manufacturing: Share in total (per-centege)	Manufacturing: Final year (thousand persons)	Manufacturing: Share in total (per-centage)	Manufacturing: Average annual growth rate (per-centage)	Base year (thousand persons)	Share in to (per-cent
Algeria a/	1970-1973						112.0	13.3	178.8	16.1	11.7	23.5	2.
Democratic Yemen	1971/72-1973/74	2.0	9.4	4.7	14.2	28	3.6	16.9	6.3	19	18.3	1.3	5.
Egypt	1973-1977	4 113.6	47.4	4 406.4	44.5	1.3	1 093.5	12.6	1 339.7	13.6	4	...	...
Iraq	1970-1974	1 449.8	57	2 008.4	56.7	6.4 c/	148.0	5.8	233.1	6.6	9.0 c/	28.4	1.
Jordan	1973-1975	105.0	29.3	123.0	28.6	5.2	22.5	6.3	32.1	7.5	11.9	4.7	1.3
Kuwait	1967/68-1971/72	3.1	1.7	...	...	...	17.9	9.7	...	...	...	14.2	7.
Lebanon	1972-1977	200.0	30	...	...	...	100.0	15.7	...	...	...	...	...
Libyan Arab Republic	1972/73-1974/75	153.3	30.1	159.8	28	1.3	35.4	7.0	44.9	7.9	8	24.8	4.6
Morocco	1973-1977	2 030.0	55.9	2 135.0	48	1	...	...	600.0	13.5	8.1	80.0	2.2
Saudi Arabia f/	1970/71-1974/75	476.6 g/	40.4	482.9 g/	32.4	0.2	51.8	4.4	70.3	4.7	6.1	40.9	3.5
Sudan	1970/71-1974/75	5 758.0	89.4	6 208.0	87.5	1.5 c/	150.0	2.3	205.0	2.9	6.3	...	...
Syrian Arab Republic	1971-1975	1 126.0	60	1 294.0	56	2.8	226.0	12	368.0	15	9.6	....	...
Tunisia	1973-1976	800.0	57.8	800.0	53.3	...	171.0	13	211.8	14.1	5.4	25.3	1.8

a/ Employment figures for 1968, excluding agricultural employment, domestic servants and workers in traditional rural industries.

b/ Public buildings and utilities.

c/ Simple rate of growth.

d/ Including housing.

e/ Including storage.

f/ Including employment in the private sector, estimated at 1,040.9 thousand labourers in the base year and 1,301.8 thousand labourers in the final year; emplo
184.5 thousand in the final year; and employment in Petromin, estimated at 2.1 thousand in the base year and 5.9 thousand in the final year. Because employment in
other activities.

g/ Including seasonal migrant labourers.

h/ Trade, banking, insurance, and other non-specified activities.

Table 17. Projected growth of employment, by economic sector, in 13 Arab States

...ring		Other industries					Construction					Transport and communications				
Share in total (percentage)	Average annual growth rate (percentage)	Base year (thousand persons)	Share in total (percentage)	Final year (thousand persons)	Share in total (percentage)	Average annual growth rate (percentage)	Base year (thousand persons)	Share in total (percentage)	Final year (thousand persons)	Share in total (percentage)	Average annual growth rate (percentage)	Base year (thousand persons)	Share in total (percentage)	Final year (thousand persons)	Share in total (percentage)	Average annual growth rate (percentage)
16.1	11.7	23.5	2.8	31.1	2.8	6.9	70.0 b/	8.3	165.0	14.9	21.5	60.0	7.1	78.0	[illegible]	6.6
19	18.3	1.3	5.8	1.7	5.0	8.7	...	...	...	...	...	2.9	13.4	2.9	[illegible]	0
13.6	4	...	...	...	...	...	346.5	4	460.0	4.6	5.7	378.9	4.4	459.4	[illegible]	3.8
6.6	9.0 c/	28.4	1.2	37.7	1.1	5.7	67.0	2.6	105.9	3	9.1 c/	143.0	5.6	175.4	5	4.1 c/
7.5	11.9	4.7	1.3	6.1	1.4	7.7	30.0	8.3	43.0	10	11.9	18.0	5	...	...	...
...	...	14.2	7.0	...	...	...	30.86 d/	16.6	...	...	...	11.1	6	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
7.9	8	24.8	4.8	30.4	5.3	6.9	57.1	11.2	63.6	11.1	3.5	46.6 e/	9.1	52.2 e/	9.1	3.8
13.5	8.1	80.0	2.2	80	1.8	0	...	...	370.0	8.3	15.9	...	...	580.0	13	7.1
4.7	6.1	40.9	3.5	55.9	3.8	6.3	141.5	11.9	205.0	13.7	7.4	62.1	5.3	98.2	[illegible]	9.1
2.9	6.3	...	...	...	...	...	46.0	0.7	58.0	0.8	4.6 c/	68.0	1.1	92.0	1.3	6.0 c/
15	9.8	....	...	...	...	...	79.0	4.2	122.0	4.9	8.6	68.0	3.6	102.0	4.1	8.1
14.1	5.4	25.3	1.8	24.1	1.6	1.2	55.0	3.9	74.0	4.9	7.3	42.9	3.1	49.0	[illegible]	3.3

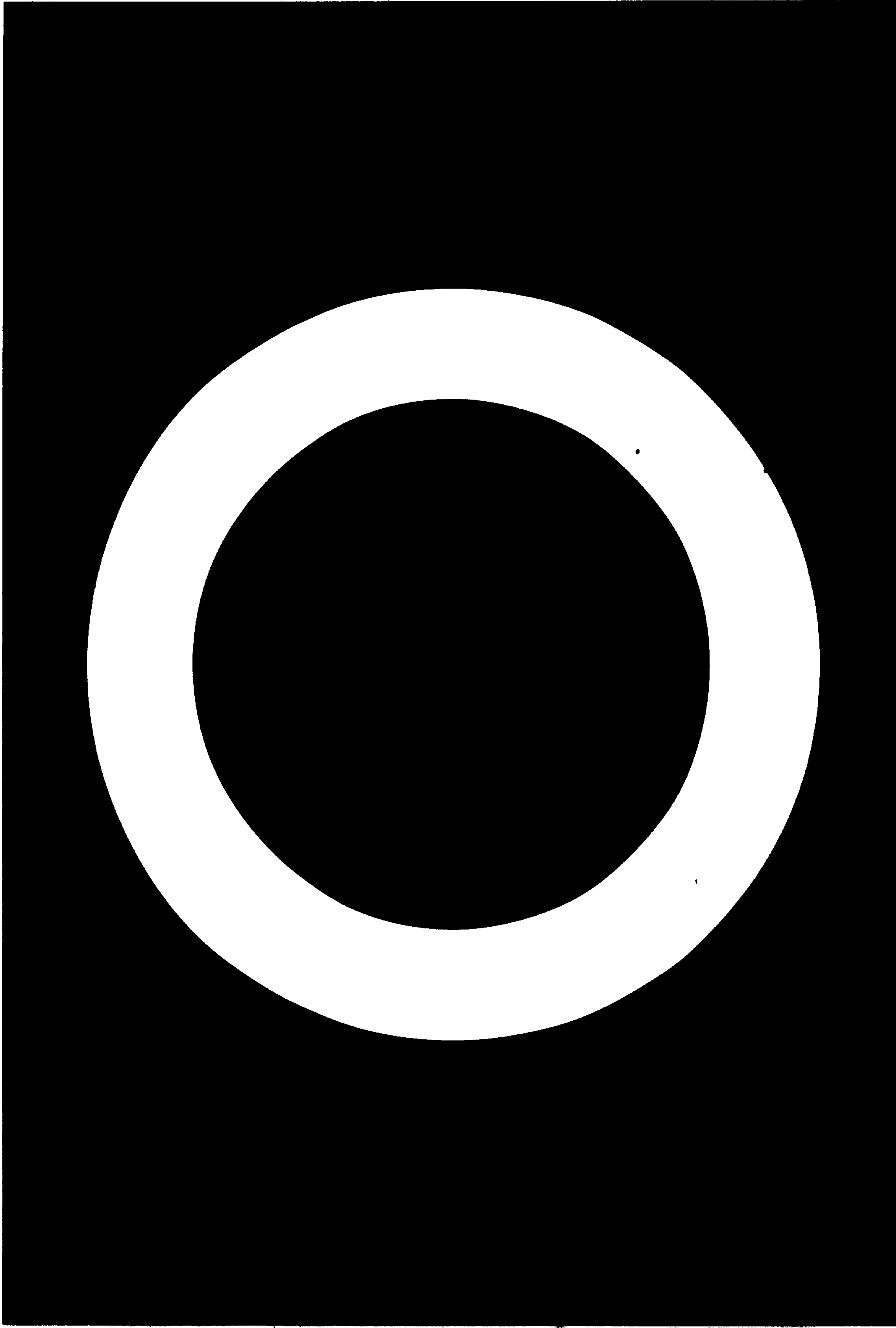
... industries.

thousand labourers in the final year; employment in the government sector, estimated at 138 thousand in the base year and

in the final year. Because employment in the government sector and Petromin was not classified in detail, it is grouped with

...tates

...ge annual ... rate ...entage)	Transport and communications: Base year (thousand persons)	Share in total (per-centage)	Final year (thousand persons)	Share in total (per-centage)	Average annual growth rate (per-centage)	Retail and wholesale trade: Base year (thousand persons)	Share in total (per-centage)	Final year (thousand persons)	Share in total (per-centage)	Average annual growth rate (per-centage)	Other activities: Base year (thousand persons)	Share in total (per-centage)	Final year (thousand persons)	Share in total (per-centage)	Average annual growth rate (per-centage)
	60.0	7.1	78.0	7.1	6.6	200.0	23.8	210.0	19	1.2	375.0	44.6	442.0	40	4.1
	2.9	13.4	2.9	8.7	0	...	...	...	...	...	11.8	54.5	17.1	53.1	13.5
	378.9	4.4	459.4	4.6	3.8	848.9	9.8	995.6	10	3.1	1 891.9	21.8	2 245.9	22.7	3.5
1[c/]	143.0	5.6	175.4	5	4.1[c/]	145.0	5.7	179	5.1	4.1	565	22.2	797.4	22.5	6.9
	18.0	5	...	...	...	26.6	7.4	35.6	8.3	9.8	153.2	42.6	190.2	44.2	7.2
	11.1	6	...	...	...	23.5	12.4	...	...	...	85.2	46	...	...	...
	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	46.6[e/]	9.1	52.2[e/]	9.1	3.8	34.2	6.7	37.2	6.5	2.9	152.1	29.9	177.3	31	5.2
	...	...	580.0	13	7.1	...	...	345	7.8	4.9	268	7.3	340.0	7.6	4.8
	62.1	5.3	98.2	6.6	9.1	130.2	11	197.6	13.2	8.4	277.6	23.5	382.3	25.6	6.4
[c/]	68.0	1.1	92.0	1.3	6.0[c/]	79.0	1.2	99	1.4	4.5[c/]	337	5.2	431.0	6.1	4.9[c/]
	68.0	3.6	102.0	4.1	8.1	140.0	7.4	164	6.7	3.1	247	13.1	315.0	13	4.8
	42.9	3.1	49.0	3.3	3.3	83.0[h/]	6	94[h/]	6.2	3.1	205.5	14.8	249.5	16.6	4.8



Precise comparisons of the number of workers in various Arab States are difficult because of the differing durations of the plans. There is some rough correspondence between the number of workers and the size of population in each State and the number of males above 15 years of age. No precise comparable information could be obtained from the plans, however, about the labour force and its growth. Accordingly, no figures on unemployment can be given.

Distribution of planned employment among various sectors

Table 17 indicates the distribution of employment among various sectors in the base year, compared with the final year in Arab States for which data are available. It also gives the annual rate of growth of planned employment in each sector. For Kuwait and Lebanon, the data concern the base year only.

The planned average annual rate of growth in the agricultural sector is highest for Democratic Yemen (28 per cent), followed by Iraq (6.4 per cent), Jordan (5.2 per cent), the Syrian Arab Republic (2.8 per cent), and Egypt, the Libyan Arab Republic and Sudan (about 1.5 per cent each). The rate is lowest in Morocco and Saudi Arabia, and there is no planned growth of employment in this sector in Tunisia. The above-mentioned planned annual rates of growth would result in some decrease in the share of agricultural employment in all States except Democratic Yemen, which expects an increase of employment in fisheries.

Average share of employment in fixed investment and productivity

Table 18 gives data derived from the plans about the share of fixed investment per employed person at the national and sectoral levels.

The ratio of average fixed investment per employed person in the Libyan Arab Republic (with the highest share) to that in the Sudan (with the lowest share) is 44:1.

The average fixed investment per employed person is an important determinant of labour productivity. Other factors relating to productivity include the level of training, the efficiency of management and the type of technology.

Table 18. Average fixed investment[a] per employed person, by economic sector, in 13 Arab States
(Dollars)

State	National economy	Agriculture	Manufacturing	Other industries	Construction	Transport and communications	Trade	Other activities
Algeria	21 238	...	19 367	159 076	...	24 497	13 589[b]	
Democratic Yemen	8 085	...	...	...	...	...	...	...
Egypt	5 742	3 122	11 524[c]		722	19 460	390	4 595
Iraq	4 547	1 842	9 907	102 515	...	16 077	2 676	4 573
Jordan	7 160	4 302	5 693	32 763	...	...	241	5 459
Kuwait	45 595	...	...	...		...	...	...
Lebanon	...	...	...	...	...	...	...	...
Libyan Arab Republic	74 397	63 384	66 305	284 839	10 153	114 589	9 233	52 162
Morocco	...	...	...	...	...	...	...	...
Saudi Arabia	13 113	17 421	5 152[c]		...	35 144	144	24 108
Sudan	1 688	679	3 832[c]		...	7 255	3 644[b]	
Syrian Arab Republic	3 093	3 928	4 712[c]		...	6 798	1 581	7 295
Tunisia	20 958	...	8 180	386 285	...	66 837	3 465	19 876

a/ Data computed from the development plans.

b/ Combining trade and other activities.

c/ Combining manufacturing and other industries.

Table 19 gives the average productivity per worker in the base year and final year of each plan. The level of the average productivity per employed person corresponds closely to the level of the average fixed investment per employed person. Thus, Kuwait and the Libyan Arab Republic lead the Arab States in terms of productivity per worker. The ratio of average productivity in the Libyan Arab Republic to that in the Sudan is about 35:1.

Table 20 shows the targets for average productivity per worker at the sectoral level for the States under study.

Table 19. Projected growth of the average productivity per employed person in 13 Arab States

State	Term of the plan	Base year (dollars)	Final year (dollars)	Average annual growth rate (percentage)
Algeria	1970-1973	3 537	3 864	2.2
Democratic Yemen	1971/72-1973/74	...	...	...
Egypt	1973-1977	762	944	4.3
Iraq	1970-1974	1 206	1 304	1.5
Jordan	1973-1975	1 691	1 780	4.7
Kuwait	1967/68-1971/72	12 090	12 972	1.4
Lebanon	1972-1977	2 798		
Libyan Arab Republic	1972/73-1974/75	9 021	10 689	5.6
Morocco	1973-1977	1 192	1 297	1.6
Saudi Arabia	1970/71-1974/75	3 269	4 125	4.6
Sudan	1970/71-1974/75	253	330	5.3
Syrian Arab Republic	1971-1975	827	939	2.5
Tunisia	1973-1976	1 348	1 632	4.8

Table 20. Projected growth[a/] of the average productivity per employed person, by economic sector, in 13 Arab States

State	Term of the plan	Agriculture			Manufacturing			Other industries			Construction			Transport and communications			Trade and finance			Other activities		
		Base year (dollars)	Final year (dollars)	Average annual growth rate (percentage)	Base year (dollars)	Final year (dollars)	Average annual growth rate (percentage)	Base year (dollars)	Final year (dollars)	Average annual growth rate (percentage)	Base year (dollars)	Final year (dollars)	Average annual growth rate (percentage)	Base year (dollars)	Final year (dollars)	Average annual growth rate (percentage)	Base year (dollars)	Final year (dollars)	Average annual growth rate (percentage)	Base year (dollars)	Final year (dollars)	Average annual growth rate (percentage)
Algeria	1970-1973	...	...	...	4 611	5 351	3.7	22 496	26 074	3.6	2 915	2 823	-1.0	2 025	1 985	-0.9	3 747	4 340	3.6	972	962	-0.3
Democratic Yemen	1971/72-1973/74	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Egypt	1973-1977	466	517	2.0	1 234	1 587	4.9	...	...	...	903	1 143	4.8	992	1 538	11.5	705	839	3.5	1 015	1 120	3.2
Iraq	1970-1974	390	467	3.5	1 948	2 360	3.8	1 542	2 582	10.4	1 542	2 582	10.4	1 353	1 624	4.6	2 039	2 304	2.4	1 083	1 123	0.5
Jordan	1973-1975	1 040	1 067	0.8	2 986	3 086	0.9	1 727	2 111	6.6	1 073	1 028	-1.3	2 644	2 800	2.7	4 273	3 987	2.3	1 708	1 494	3.7
Kuwait	1967/68-1971/72	3 560	...	...	4 527	...	...	99 628	...	...	3 447	...	...	5 535	...	...	74 167	...	...	4 501	...	...
Lebanon	1972-1977	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	..	...	...
Libyan Arab Republic	1972/73-1974/75	704	978	10.9	2 079	2 979	11.9	118 633	120 970	0.6	5 483	8 268	13.6	3 476	4 275	10.9	4 444	5 965	9.7	5 500	6 436	5.2
Morocco	1973-1977	432	474	1.8	...	1 830	...	4 286	6 480	8.2	...	821	...	...	...	...	...	4 [illegible]	...	3 478	3 691	1.2
Saudi Arabia	1970/71-1974/75	467	315	-5.6	6 605	8 004	3.8	46 142	52 670	2.6	1 321	1 495	2.4	4 677	5 285	3.0	2 137	2 571	3.7	2 349	2 674	2.1
Sudan	1970/71-1974/75	119	176	7.8	980	1 129	2.8	...	...	...	1 548	1 421	1.6	1 463	1 595	2.0	3 137	3 379	1.5	1 130	1 038	0.8
Syrian Arab Republic	1971-1975	312	348	...	1 343	1 718	4.9	...	...	...	703	785	2.1	2 421	2 542	1.2	30 649	40 017	4.4	1 854	1 926	...
Tunisia	1973-1976	500	561	2.9	1 134	1 429	5.8	5 838	8 022	7.9	2 481	2 882	3.7	2 762	3 176	4.8	3 119	3 867	5.4	2 958	3 067	0.8

a/ Computed from data contained in the development plans.

Part two

COUNTRY PLANS

I. ALGERIA

Characteristics of the national economy

In 1973, Algeria had a population of 14.3 million, or about 12.5 per cent of the total population of the Arab countries. The annual average growth rate of population in the period 1960-1970 was about 3.1 per cent. The number of population is ecpected to reach 16.8 million by the mid-1970s.

According to the 1966 census, the number of population over 15 years of age represented 52.7 per cent of the total population; urban population accounted for 38.3 per cent and rural population for 60.2 per cent of the total. Illiteracy was estimated at 81.2 per cent.

In 1966, the number of employees was about 6 million or 21.2 per cent of the total population; the burden on those employed was therefore great since each sustained seven unemployed persons. Should the growth of population continue at the same rate until 1980, as is foreseen, and should employment opportunities increase, it is expected that each employee will support six others by that date.

Table 1 gives the distribution of employment in the various sectors of the national economy.

Table 1. Algeria: Distribution of employment, by economic sector, 1966
(Percentage)

Sector	Employment
Agriculture	50.4
Manufacturing	6.4
Other industries	1.3
Construction	5.0
Transport and communications	3.4
Trade (wholesale and retail)	5.9
Others	16.5

Source: Plan tables.

The amount of cultivable area in proportion to over-all area is 18.6 per cent. Of this cultivable area, 84.7 per cent is permanent pasture; 1.2 per cent yields permanent crops and 14.1 per cent yields seasonal crops. Forests do not exceed 1.12 per cent of the total area.

There are two agricultural sectors in Algeria. One is modern, is run by the public sector and comprises the best coastal lands; most of its crops are meant for export. The other is traditional, is run by the private sector and comprises some poor inland areas where crops are mostly grains meant for local consumption.

Algeria has become one of the major oil- and natural gas-producing countries. In 1972, its total production of oil amounted to 52 million tons, or 2 per cent of world production. Its oil reserves represent 7 per cent of the proved world reserves and 12.6 per cent of the Arab reserves.

Since 1963 oil production in Algeria has grown as follows:

Year	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
Million tons	23.7	26.2	26.0	33.8	38.7	42.8	44.4	48.2	37.1	52.0

Production of natural gas, in 1972, amounted to 3 billion m^3 or 0.5 per cent of the total world production in that year. However, the proved reserves of natural gas in Algeria amount to about 8.9 per cent of the world proved reserves and 45.6 per cent of the reserves of the Arab countries.

Since 1967 natural gas production in Algeria has grown as follows:

Year	1967	1968	1969	1970	1971
Million m^3	2.6	3.7	4.9	11.6	13.1

Algeria has several other natural resources. Foremost among these is phosphate, of which the country produced 381,000 tons in 1968, or 0.4 per cent of the total world production in the same year. In addition, there are certain quantities of iron-ore, lead, antimony, salt, zinc and manganese. Iron-ore is the most important of these metals; the country produced 3.3 million tons for export in 1971 and 3.7 million tons in 1972.

In addition, Algeria has considerable wealth in livestock; it owns 3.6 per cent of the cattle and 10.6 per cent of the poultry of the entire Arab world.

Leading agricultural crops that are processed are, first, grapes, followed by barley, dates, olives, tomatoes, maize, rice, cotton seeds and cotton.

The GNP (at factor cost in 1970) exceeded $4,270 million, that is, 11.9 per cent of total GNP for the Arab countries in that year. The average per capita share of GNP amounted to $300, of which $105 came from manufacturing output and other industries. The average annual rate of growth of per capita GNP in the period 1960-1970 was 4.1 per cent. The annual average rate of growth in per capita income in the period 1963-1969 amounted to 3.9 per cent.

Table 2 gives the share of the various sectors of economic activity in GDP in 1969. It also gives the proportion of employment in each sector to the total number of employees (with the exception of the agricultural sector) in the same year, and it indicates the proportion of investment in each sector to the net fixed investment in 1969.[1/]

Table 2. Algeria: Share of the economic sectors in GDP, employment and investment, 1969
(Percentage)

Sector	GDP	Employment	Fixed investment
Agriculture	16.3		15.8
Manufacturing	17.4	13.4	25.0
Other industries	17.7	2.7	26.2
Construction	7.0	8.3	
Transport and communications	4.1	7.1	
Trade and finance	25.2	23.8	33.0
Others	12.3	44.7	

Source: Four-year plan (1970-1973), p.100.

From table 2 it is clear that trade and finance were the most important contributors to GDP (25.2 per cent), a fact that reflected the commercial

1/ Investment is limited to government investment.

character of the Algerian economy. The small share of the transport and communications sector (4.1 per cent) and of other activities indicates the underdevelopment of the economic and social infrastructure in the Algerian economy. Second in importance in GDP in 1969 were products of other industries (17.7 per cent), owing to the increase in oil production which in turn resulted from increased investment in prospecting for the extraction of oil and natural gas. The share of this sector in investment amounted to 26.2 per cent of the gross domestic fixed investment in that year. Table 2 also shows that manufacturing industries were given great attention; their share of investment amounted to 25 per cent and of GDP to 17.4 per cent. The agricultural sector contributed 16.3 per cent to GDP and absorbed 15.8 per cent of the gross domestic fixed investment in that year. The rather small contribution of agriculture to GNP resulted from an insufficiency in the supply of water necessary for the improvement of agriculture.

The Algerian economy is known for its great capacity for investment. The proportion of fixed domestic investment to GDP in 1969 was about 28 per cent. The larger part of this was local investment. The public sector plays a major role in investment.

Foreign trade is important to the Algerian economy. The total value of exports in 1969 amounted to some 4,390 million Algerian dinars (DA), or 31.5 per cent of GDP in that year. The value of imports, on the other hand, amounted to DA 4,850 million, or 34.0 per cent of GDP in the same year.

Algeria also increased its reserves of foreign currencies and gold. The annual arithmetic average of the value of Algerian international reserves and foreign funds in commercial banks during the period 1967-1971 was $192.8 million in gold, $8.8 million as special drawing rights, $24.2 million representing the financial position of Algeria in the International Monetary Fund (IMF), $211.8 million in foreign currencies, and $125.9 million as foreign assets deposited in commercial banks.

The economic development plan (1970-1973)

Objectives

The main objectives of the plan were:

(a) To effect far-reaching changes that would radically alter the conditions of production to ensure the development of the rural areas;

(b) To form a base for industrialization in order to ensure transition from an underdeveloped economy to a modern, independent one;

(c) To improve the country's abilities to meet its needs through industrial and agricultural production;

(d) To improve the systems of education and training in order to attain a better cultural and technical level for all Algerians;

(e) To achieve a high and rapid average annual rate of growth in GDP, amounting to 9 per cent;

(f) To improve the country's ability to finance investment from local savings in order to reduce reliance on foreign aid;

(g) To combat extravagance and promote productive efficiency;

(h) To create 265,000 new employment opportunities outside the agricultural field;

(i) To redistribute income to the benefit of the poorer classes;

(j) To give priority to investment that would result in direct production;

(k) To exert more constructive efforts in the search for domestic resources, especially mining and prospection for oil, and to better realize the country's potential for supply of water and agricultural land;

(l) To allocate a large proportion of investment to reconstruction that was long neglected before and after independence.

The national development plan was put into effect in 1970. The ultimate objectives were:

GDP in 1969 (base year): DA 14,640 million

GDP at the end of the plan, 1973: DA 21,083 million

Projected average annual rate of growth: 9 per cent

Total value of GDP expected during the plan: DA 74,664 million

Total expected value of gross fixed domestic investment for the plan period: DA 27,334 million

Annual average share of investment in GDP: 26.3 per cent

Contemplated growth of employment (outside the agricultural sector): 31.5 per cent

It was ecpected that the rate of growth of the per capita share of GDP would reach 6 per cent per year. Hence, the per capita share of GDP would rise from DA 1,109 in 1969 to DA 1,405 in 1973. Within the same period, it was expected that the per capita share of the industrial product would rise from DA 194 to DA 315.

Effects of the plan on the structure of the national economy

Table 3 gives an idea of the change contemplated in the structure of the Algerian national economy according to the development plan.

Table 3. Algeria: Expected change in the structure of the economy under the four-year plan (1970-1973)
(Percentage)

Sector	Share in gross investment a/	Share in GDP 1969	Share in GDP 1973	Annual average rate of growth	Growth of employment
Agriculture	14.9	16.3	12.8	3.1	-
Manufacturing	23.1	17.4	22.4	20.3	25.2
Other industries	21.7	17.7	19.0	13.4	3.1
Construction	-	7.0	11.0	31.4	35.8
Transport and communications	7.8	4.1	3.5	6.3	6.8
Trade and finance	32.5	25.2	21.3	5.4	3.8
Other	32.5	12.3	10.0	4.1	25.3
Total	100.0	100.0	100.0	100.0	100.0

Source: Plan tables.

a/ Net fixed domestic investment.

Table 3 indicates that under the plan an increase would occur in the share of material product (agriculture, manufacturing and other industries and construction) in GDP from 58.4 per cent in 1969 to 65.2 per cent in 1973. A further objective was to increase the share of manufacturing industries in GDP from 17.4 to 22.4 per cent. To achieve this end, 23.1 per cent of the total domestic fixed investment was earmarked for this sector and 21.7 per cent for other industries, thus giving the industrial sector 45 per cent of the total domestic fixed investment. The share of the agricultural sector in GDP was reduced from 16.3 per cent to 12.8 per cent, which is indicative of the belief in the importance of industrialization as the basis for rapid growth of the Algerian economy. The table also shows that growing attention was being given to construction; its share in GDP was expected to increase from 7 to 11 per cent.

<u>Objectives of the plan for the industrial sector</u>

The general aims of the plan were:

(a) To expand the sector of manufacturing industries at a compound rate of 13.3 per cent per annum;

(b) To promote the production of steel, which is the backbone of the mechanical or electrical industry and the mainstay of the industry of processing equipment;

(c) To expand the industry of manufacturing materials other than iron;

(d) To increase the production of building materials, on which the success of the policy of development depends;

(e) To improve the industry of fertilizers in order to ensure the product necessary for agricultural development;

(f) To provide the chemical products that are required for production in some other industries, especially metal processing;

(g) To provide food products, the consumption of which is constantly increasing, and to expand agricultural products;

(h) To encourage industries that substitute imports and promote exports.

It should be noted from table 4 that an objective of the plan was to increase the share of basic metal products chemical products, electrical and mechanical equipment and non-metallic mineral products as the mainstay of industrial development. The target rates of growth for these industries under the plan were 52.5 per cent, 35.8 per cent, 34 per cent and 15.5 per cent respectively.

Table 4. Algeria: Objectives of the development plan, by major group of manufacturing, 1969-1973
(Percentage)

Major group	Share in total manufacturing investment	Share in manufacturing output 1969	Share in manufacturing output 1973	Average annual rate of growth a/	Share in employment
Food, beverages and tobacco	8.4	23.2	19.0	13.1	14.4
Textiles, ready-made clothes and leather products	12.0	22.1	21.1	19.4	22.4
Chemicals and chemical products	8.5	9.2	12.1	35.8	6.6
Non-metallic mineral products	14.4	7.6	8.0	15.5	8.5
Basic metal products	25.7	4.3	7.3	52.5	...
Electrical and mechanical equipment	18.8	11.3	14.4	34.0	8.5
Other manufactures b/	12.2	22.3	18.1	12.9	39.4
Total manufacturing	100	100	100		

Source: Four-year plan (1970-1973).

a/ Simple rate.

b/ Including paper, printing and publishing, wood, traditional industries and other manufacturing not mentioned elsewhere.

For the basic metal products industry the objectives of the plan were: to accelerate the production of iron and steel from 400,000 tons per year to 1.5 or 1.8 million tons; to build a new unit for cold and hot rolling; to build another furnace for smelting iron; to renovate the existing units; and to complete the project of electrical analysis which would help the zinc industry to assume its rightful place as a principal industry.

Use was expected to be made of the hydrocarbon by-products of the chemical products industry. The plan was to utilize fully hydrocarbons of basic chemical products industries by producing methanol, resins, ethane, polyethylene, ammonia, oxygen, sodium acetate, polyvinyls, tripoly phosphates, sulphuric acid, chlorine and many other products that are necessary for other related industries. For the production of fertilizers, a complex producing 186,000 tons of phosphates annually was planned.

For non-metallic mineral products (building materials) the plan contained a programme for setting up three new units to produce cement and to expand the already existing units so as to increase the production of cement by 2.3 million tons by the end of the plan. This was in addition to expanding the production of tiles or red bricks by establishing new laboratories and renovating the existing ones, setting up a number of factories for porcelain, flagstone glass, gypsum and lime, and building three factories for cement products. The plan also provided for the development of the mechanical and electrical equipment industry, especially that necessary for agriculture, such as tractors, agricultural machinery and pumps, and for industry, such as heat motors and mechanical equipment. Special attention was also given to providing cars, motor cycles, household appliances, electric motors, transformers, counters, receiving sets and other electrical products. The plan also included provision for setting up a complex to produce electrical appliances and another for electronic equipment.

Table 4 also indicates increased interest in the textile, clothes and leather industries, together with foodstuffs and some other manufacturing industries, since a goal of the plan was to reach an average annual rate of growth in these industries of 19.4 per cent, 13.1 per cent and 12.9 per cent respectively. The greater interest in these industries reflected the desire to make available food products that were in increasing demand and to industrialize part of the production of agriculture.

To achieve this goal 9 new units were to be established and 17 others were to be repaired and renovated for cereal processing and making paste.

Several units for producing oils, fats and sugar were expected to be built. The production of preserved foodstuffs was to be improved by the establishment of 9 new units and the renovation of the 4 existing units.

Other objectives were:

(a) To satisfy the need for ready-made clothes at low prices by establishing factories for weaving and spinning cotton together with a unit for making synthetic fibres and a unit for weaving and spinning wool. In addition, several projects for producing ready-made clothes were planned and two factories for tanning hides and repairing shoes;

(b) To make available ordinary industrial consumer goods, such as paper, printing products, stationery and office supplies and household articles from furniture to soap;

(c) To ensure wide opportunities for employment; it was expected that other manufacturing industries, textile, clothing and leather industries, and foodstuffs industries would absorb 39.4 per cent, 22.4 per cent and 14.4 per cent respectively of the contemplated increase in manpower in the manufacturing sector.

To effect these structural changes and to realize these objectives, 25.7 per cent of the total contemplated investment in the manufacturing sector was allocated to basic metal products, 18.8 per cent to electrical and mechanical equipment, 14.4 per cent to non-metal products, 12 per cent to the textile industry, 12.2 per cent to other manufacturing industries, 8.5 per cent to chemical products, and 8.4 per cent to the foodstuffs industries.

In foreign trade the objectives of the plan were:

(a) To increase exports by fully utilizing productive capacities in export-oriented industries;

(b) To open new markets for these industries in order to improve the country's ability to achieve the required capital formation;

(c) To foster economic independence and to increase the rate of economic growth through long-range agreements;

(d) To reduce the cost of development through having available the best and cheapest consumer and investment goods necessary for development;

(e) To improve the opportunities for financing economic transactions with the outside world and for securing the best conditions for loans from abroad;

(f) To diversify exports either in the form of commodities or services, and to diversify economic relations and foster co-operation with other major countries.

The goal for foreign trade as well was to increase imports at a compound annual rate of 10 per cent while increasing exports by 13.7 per cent.

Tables 5 and 6 indicate the contemplated growth of both imports and exports.

Table 5. Algeria: Planned development of imports, 1969-1973

Imports	1969		1973	
	Value (million dinars)	Share in total (percentage)	Value (million dinars)	Share in total (percentage)
Consumer goods	1 800	37.0	1 640	21.4
Capital goods	2 400	39.0	4 150	52.6
Services	650	14.0	1 900	28.0
Total	4 850		7 690	

Source: Four-year plan general report.

Table 6. Algeria: Planned development of exports, 1969-1973

Imports	1969		1973	
	Value (million dinars)	Share in total (percentage)	Value (million dinars)	Share in total (percentage)
Food and agricultural products	800	18.2	950	14.1
Mineral products	160	3.2	270	3.9
Fuel, manufactured	3 250	74.4	5 130	75.4
Manufactures	180	4.2	450	6.6
Total	4 390	100.0	6 800	100.0

It is evident from tables 5 and 6 that the share in total trade of industrial products and of oil and natural gas was expected to increase, and that of food and agricultural products to decrease.

Governmental measures

Investment

Ways in which the Government exercises authority through each development plan are:

(a) By affirming its power to take decisions relating to investment in economic and social infrastructure and directly in production;

(b) By paving the way for entrusting the regional authorities with the responsibility for planning investment financed by municipal and state sources;

(c) By governing investment of the private sector, which must first have the approval of the national or regional committees or an administrative permission;

(d) By setting down guidelines for the evaluation of investment projects. No project is to be included in the annual programme unless it is carefully studied and conforms with these guidelines;

(e) By decreasing the cost of investment and by limiting the expenditures registered in the annual programme as the maximum permissible;

(f) By regarding the dates of starting work on projects and the dates of completion as binding.

Foreign trade and distribution

The General Organizations are responsible for securing the various requirements necessary for the implementation of investment projects. These government agencies may concentrate and unify imports from abroad in co-operation with production organizations. They are also responsible for working out an annual plan for meeting requirements with the authorities concerned and for elaborating annual programmes for production and foreign trade. The General Organizations are also wholly responsible for the distribution of imports in wholesale trade.

The authority of the Government is also exercised:

(a) In the formation of a joint ministerial committee for foreign trade which organizes import and export operations;

(b) In the encouragement of the co-operative system for distributing commodities and services;

(c) In the protection of the private sector which undertakes retail trade in competition with monopolies that set prices;

(d) In fixing remunerative prices for the agricultural products that have high costs and that are badly needed, such as industrial agricultural crops like cotton, tobacco, sunflower and beet-root;

(e) In fixing prices that may cover or be less than the costs of producing agricultural crops that are not encouraged;

(f) In stabilizing the prices of the industrial products necessary for the improvement of agriculture, such as fertilizers and fodder, and of those necessary for reducing the costs of investment, such as iron, steel, metals and building materials.

Distribution of income

The Government intervenes in the distribution of income through a ministerial committee set up to study the wages and taxation system and through the organization of the private professions. It has also set up a programme to help the poor through ensuring enough opportunities for employment, reducing taxes, encouraging the granting of loans to farmers, providing popular housing, and fixing the prices of necessary commodities.

The 1970-1973 plan called for the formation and expansion of administrative branches for planning at all levels in each sector and region. It also envisaged the promulgation of a law to regulate the administrative and functional relations between the central machinery for planning and its various branches.

Industry

The Government intervenes in industry:

(a) By promulgating a special law for public organizations and another law governing those employed in these organizations, and by working out a system for incentives and promotions;

(b) By devising a plan for accountancy with a view to providing the necessary statistics about production and imports, indicating the technical factors, the distribution of value added and the capital formation;

(c) By working out a unified accounts system to facilitate control over the industrial units of the public sector;

(d) By establishing standard rates of performance and putting the right man in the right place in order to raise the productivity of the puble sector units;

(e) By establishing standard specifications and a General Organization responsible for quality control in order to consolidate Algerian industrial products and enhance their competitiveness in world markets and to guarantee that they suit the taste of national consumers;

(f) By forming professional industries and co-operative societies for tradesmen, providing them with technical assistance, and regulating them.

The second four-year plan (1974-1977)

The plan was drafted on the basis of a complete study of economic development over the coming 10 years. In this study the Algerian authorities have stressed the importance of promoting investment to achieve the far-reaching aims of the Government. The proportion of investment to national production was previously over 35 per cent; the objective is to raise it in the second plan to 40 per cent in order to achieve the maximum rate of growth in all sectors. A policy of austerity will be pursued to guarantee a decent, dignified life for the masses of people. Human and productive potentialities will be exploited fully and the maximum use will be made of foreign financing means.

The Algerian authorities have established the year 1980 as the year of progress. In their efforts to curb unemployment, they propose to provide 200,000 new job opportunities each year. This goal is set in order to cope with the population increase. The better education and training undertaken by the Government should bear fruit in providing educated and skilled cadres; it should also lessen the foreign commitments and save foreign exchange spent on training abroad. Many projects will be initiated in the period to compensate for the development opportunities that were lost in the past.

The growth rate of industrial output will increase from 9 per cent to 10 per cent annually; planners think that this will provide adequate and suitable nutritional standards - in quantity and quality - for all Algerians. The rate of consumption of manufactured products and services will also increase; consequently, production will increase by at least 11 per cent annually, providing the maximum possible job opportunities.

As the previous plan was over ambitious, it fell short of achieving some of its objectives. It was felt necessary to increase the investment allocated to the new plan so that it could fulfil its targets.

Almost one half of the projects envisaged up to 1980 are estimated to cost DA 50 billion, out of which DA 27 billion will be invested in education, especially technical and scientific, or vocational training. In order to develop the agricultural sector and to support the anticipated land reform, investment in agriculture will be doubled. It is expected that the strengthening of education, vocational training and agriculture will not be at the expense of industry, since industry has received the largest share of investment in the past. Greater attention will be given to petroleum and fuel in the new plan; about 40 per cent of total investment has been allocated to their development. The manufacturing industries come next according to the importance of their branches. This should provide sufficient employment for establishing the national and technological basis that the country will need in the 1980s. The building materials sector is important for the infrastructure, such as establishments, roads and bridges, in order that development efforts should be comprehensive and balanced.

Salient features of the plan

The burden of the high percentage of investment allocated to production (40 per cent) will fall on consumption. This is intended to provide the country with the maximum equipment and number of projects. To limit consumption means merely to redistribute it among the different classes in order to maintain higher nutrition standards.

Attention will be focused on redistributing income to benefit all classes.

The objectives of the new industrial plan are:

(a) To raise the standard of living through education and vocational training in order to provide qualified personnel;

(b) To create job opportunities to meet development requirements and the increase in manpower;

(c) To achieve economic and financial independence by controlling the country's wealth and utilizing the existing capacity, and by satisfying the needs of local markets for products from domestic instead of foreign sources;

(d) To achieve a balance between the different regions of the country as the first step towards justice and progress for all Algerians.

The same policies that were formulated and executed in the previous four-year plan have been adopted in the present plan. These policies are designed to accomplish the following:

(a) Integration among different industrial sectors. This will be achieved through diversification in production and close interrelation among the various industries as in the previous three-year and four-year plans. The production of metal products, machines and equipment required by industrial agriculture and by the construction and transport sectors, and the production of semi-finished products such as steel, non-metal products, building materials, fertilizers and other chemicals will provide a strong basis for industrialization;

(b) Prospecting and utilizing raw materials for exportation will provide sufficient foreign exchange to meet the needs of industries and to help them maintain the required integration. Fuel and energy are a basic requirement for establishing industries and for increasing their capacities;

(c) Increasing the production of consumer goods to meet the need. This policy is directly linked to the policy of raising the standard of living and of providing more employment. It requires the provision of domestic products to replace imports, especially foodstuffs, textiles, leather and others. The country succeeded especially during the first four-year plan in providing the food requirements by transforming agricultural products into finished consumer goods. The private and the public sectors have played an important role in meeting the need for textiles, ready-made clothes, leather products and medicines, and have provided the needed machines, chemicals, household appliances, wood products, electrical products, motor cycles and paper products.

II. DEMOCRATIC YEMEN

Characteristics of the national economy

The People's Democratic Republic of Yemen was established at the termination of 129 years of British rule. Building the new State was hampered from the beginning by a number of difficulties, such as the country's backward economic structure and the decline of shipping services and transit on which the national economy mainly depended, as a result of the closing of the Suez Canal in 1967.

The population of Democratic Yemen reached 1.3 million in 1970, or about 1 per cent of the estimated total population of the Arab States in that year. The annual population growth rate from 1960 to 1970 was about 2.3 per cent; by the mid-1970s, the population was expected to reach 1.7 million. In 1968, the urban population was estimated at 22 per cent and the rural population at 78 per cent. Preliminary employment estimates indicated that the number of employed persons amounted to 45,000 to 50,000 but employment statistics are inadequate. However, there is definitely high unemployment caused by the deterioration of shipping in the region.

The Port of Aden, owing to its location, is one of the most important ports in the world for international shipping in normal circumstances. It is also one of the best equipped ports for supplying ships with fuel, and for loading and unloading operations. In 1967/68, there was a 58 per cent drop in the number of ships (excluding naval vessels) using the port facilities compared with the figure for 1966/67 prior to the closing of the Suez Canal. There was also a 72 per cent drop in tonnage.

The total area of the country is 28.8 million ha, of which 9.3 million ha, or 32.5 per cent, are agricultural land. This agricultural land is sectioned off as follows: 252,000 ha, or 2.7 per cent, for seasonal crops; 9.1 million ha, or 97.3 per cent, for permanent pasture; and 9 per cent of the total area is woods and forests.

There are no projects for the storage of water; therefore, the cultivated area and the productivity of the land vary from year to year, depending on the amount of rainfall and on subterranean waters.

The main crops are cereals such as corn, bruised wheat, barley and wheat, which take up about 75 to 80 per ce the cultivated area. Vegetables and fruits are also important, but ow o low productivity, the country depends largely on imported foodstuffs. in industrial agricultural crops are cotton, tobacco, coffee, peanuts, same and some medicinal herbs.

Democratic Yemen ha stures or grazing grounds. In 1968, the livestock wealth was e as follows: 4 per cent of the total riding animals in the Arab world; 1 per cent of the sheep and goats; 9 per cent of the camels; and 0.4 per cent of the cows and buffaloes.

The coastal area is among the richest fisheries in the world, but the fishing industry in southern Yemen lacks modern techniques and refrigeration equipment. Despite this shortage, between 50,000 to 80,000 tons of fish are caught annually. Only half of this amount is sold in markets; the other half is consumed by the fishermen, dried and salted, or processed into fertilizers or animal food.

Extracting salt from sea water is the main extractive industry. There are large deposits of rock salt in addition to other raw materials such as quartz, granite, marble, basalt, gypsum and limestone. Some field studies indicate the presence of copper compounds, manganite, pyrite, lead, manganese and phosphate sulphates. However, the mineral resources of the country still need to be more accurately surveyed.

There is a strong probability of the presence of petroleum, especially in the northern regions of El-Ruba el Khaly and to the south of Saktara Island. But oil exploration operations have not yet given any clear results. On the other hand, there exists a well-developed petroleum-refining industry which depends on imported crude oil, and which exports its final output abroad or uses it for refuelling transit ships.

The installed electrical capacity of the country, in 1968, was estimated at 82,700 kW in thermo-power stations. The generated power reached 178 million kWh, with the industrial sector consuming only 73 million kWh.

GNP (at market prices) was estimated at $140 million in 1970, or 0.4 per cent of the total GNP of the Arab States in that year. In recent years there has been a drop in GNP, amounting on the average to 5 per cent. The _per capita_ GNP in 1970 was $120 as compared with $80 for Yemen and $440 for Saudi Arabia.

The distribution of national income prior to independence revealed great inequality between the capital city and the countryside and within the boundaries of each. These gaps have now been reduced greatly, however, owing to the introduction of new tax measures, the ceiling on land ownership and the nationalization of some activities.

The economy of the country is dependent on services, which provide the main part of its income. Table 7 gives the shares of the various sectors in the national income in 1965 and 1968. The share of the production sectors was less than one third of the national income.

Table 7. Democratic Yemen: Share of the economic sectors in national income, 1965 and 1968

Sector	Distribution of income (percentage) 1965	1968
Production sector		
Industry	16	19
Agriculture	11	12
Construction	3	2
Services sector		
Trade	21	25
Banking services	2	3
Shipping, transport, insurance	6	5
Tourism	1	1
Revenues	4	4
State services	14	17
Personal services and others	9	10
Foreign trade sector (including the British base)	13	2
Total	100	100

Source: IDCAS, "Industrial investments guide of the PDRY", January 1970, p.5.

Industrial development in the country until very recently faced a number of major obstacles, such as the strong foreign competition in its open market and the shortage in technical experience. Table 8 gives the shares of various major groups of manufacturing industry in gross national income in 1968.

Table 8. Democratic Yemen: Share of major groups of manufacturing in gross national income, 1968

Major group	Value (thousand dinars)	Share in total (percentage)
Food	555	4.84
Wood and wood products	[illegible]1	0.27
Chemicals (petroleum refining)	10 200	89.00
Mining industries (non-metallic)	122	1.06
Basic metal products	43	0.38
Electrical and mechanical equipment	377	3.29
Other industries	133	1.16
Total	11 461	100.00

Source: "The industrial development policy in the Peoples Democratic Republic of Yemen", study prepared for the Second Conference on Industrial Development in the Arab States, Kuwait, 10-17 October 1971, p.14.

In general, the non-petroleum industries are still in the early stages of growth; they are medium or small in size and depend on local raw materials (examples of such industries are salt, ginning and compressing cotton, oil pressing, and grinding cereals), or on imported materials (effervescent waters, milk, soap, aluminium house utensils, bricks, cement, tiles, shoes and paper bags).

The national economy depends largely on foreign trade, re-exporting and transit trade. Imports in 1969 exceeded the value of GNP; the percentage of imports in relation to GNP in that year reached 111 per cent, thus accounting for a deficit in the trade balance of 17.6 million dinars (YD).

The main imports of the country are crude petroleum, livestock, oils, qat, tobacco, alcoholic beverages, cars, textiles, chemicals, cosmetics, electronic equipment and devices, most of which are re-exported. The main local exports are cotton, tobacco, gum, leather, sesame, salt, dried fish and petroleum products. Table 9 gives the distribution of imports according to use in 1969.

Table 9. Democratic Yemen: Distribution of imports according to use, 1969

Imports	Value (million dinars)	Share in total (percentage)
Crude petroleum and petroleum products	34.8	40.3
Goods for local consumption	37	42.8
Goods for re-export	14.6	16.9
Total	86.4	100.0

Source: The three-year plan for the development of the national economy.

Table 10. Democratic Yemen: Distribution of exports, 1969

Exports	Value (million dinars)	Share in total (percentage)
Petroleum products	48.2	70
Re-export of non-petroleum goods	17.3	25.1
Locally produced goods	3.3	4.9
Total	68.8	100.0

Source: The three-year plan for the development of the national economy.

Exports of manufactured commodities in 1969 (table 10) did not exceed 4.9 per cent of total exports, compared with the share of imports of these goods, which amounted to 42.8 per cent of the total imports, thus revealing the inadequacy of the manufacturing sectors of the economy.

The three-year plan for the development of the national economy (1971/72-1973/74)

Objectives

The principal aims of the plan were:

(a) To realize a steady increase in real *per capita* income;

(b) To achieve a 10 to 12 per cent increase in employment while increasing the number of those engaged in industrial enterprises by 25 per cent, and at the same time to curb unemployment;

(c) To double the gross industrial product in three years, together with developing import-substitution industries and special projects with high employment prospects;

(d) To change the national economy from a service to a production economy and to expand industrial and agricultural output;

(e) To increase the cultivated area, thus raising agricultural productivity, and to develop the exploitation of fishing;

(f) To develop the transport network;

(g) To train skilled workers, technicians and administrators required by the public sector;

(h) To achieve a fair distribution of national production;

(i) To reinforce and expand the area of public and co-operative ownership together with providing suitable incentives for national capital;

(j) To reduce the deficit in the balance of payments and to activate the re-export trade;

(k) To expand cultural, educational and health services;

(l) To undertake geological research and petroleum and mineral exploration;

(m) To seek economic integration between the two Yemens.

Table 11 indicates the value of industrial and agricultural output in 1969, the planned output in the final year of the plan (1973/74), and the rate of growth that was expected during this period.

An examination of the figures reveals the insignificant share of the production of the public, mixed and co-operative sectors by comparison with that of the private sector. This was true despite the high development rates sought for the public sector, amounting to 290 per cent for industrial output and 273 per cent for agricultural output.

No detailed information on the effects of the plan on employment in the various sectors is available. The employment in the ministerial central agencies and other branches that undertake only administrative work was expected to increase by 53.6 per cent, from 21,600 employees in 1969 to 33,300 employees in 1973/74.

Table 11. Democratic Yemen: Distribution and growth of industrial and agricultural output, by sector, 1969 and 1973/74

	Industrial output			Agricultural output		
Sector	1969 (million dinars)	Planned for 1973/74 (million dinars)	Expected growth, 1969-1973/74 (percentage)	1969 (million dinars)	Planned for 1973/74 (million dinars)	Expected growth, 1969-1973/74 (percentage)
Public	2.8	7.9	290	0.3	0.8	273
Mixed	-	1.3	-	2.5	2.9	19
Co-operative	2.2	2.8	25	-	-	-
Private	45.8	50.0	9	28.1	33.1	18
Total	50.8	62.0		30.9	36.8	
Average			122			119

Source: Three-year plan for the development of the national economy, p. 14 ff.

Total investment in development projects amounted to YD 38.7 million. The aim was to have the public sector undertake the larger part of the investment, that is, YD 36.1 million.

Table 12 indicates the main items of expenditure in the plan and the sources of financing. The table also shows that projected foreign loans and aid amounted to YD 15.8 million, or as high as 40 per cent of the total expenditure budgeted for the plan. The contribution of private domestic capital to total investment was relatively small despite the importance attached to this sector.

Table 13 shows the distribution of investment and employment among the various economic sectors.

Table 13 reveals that the manufacturing sector received 29.1 per cent of the total fixed domestic investment, followed by transport (32.3 per cent) and agriculture (26.6 per cent), thus indicating the attention given to material production sectors and to the essential economic infrastructure.

There was also a noticeable trend towards reducing the employment in the services sectors (transport, communications and other activities), from 67.9 per cent in 1969 to 61.8 per cent in 1973/74, while increasing employment in the material production sectors.

Table 12. Democratic Yemen: Expenditure and sources of finance, 1971/72-1973/74
(Million dinars)

Expenditures	
Development projects	38.7
Financing working capital	0.8
Road maintenance and repair	0.7
Total	40.2
Sources of finance	
Government sources	18.5
Governmental organizations and institutions	3.3
Foreign loans and aids	15.8
Private domestic capital	2.6
Total	40.2

Source: The three-year plan for the development of the national economy, p.15.

Table 13. Democratic Yemen: Distribution of investment and employment, by economic sector
(Percentage)

Sector	Investment 1969	Employment 1969	Employment 1973/74
Agriculture	26.6	9.4	14.2
Manufacturing industry	22.5	16.9	19.0
Other industries	6.6	5.8	5.0
Construction	-	-	-
Transport	32.3	13.4	8.7
Trade	-	-	-
Other activities	12.0	54.5	53.1
Total	100.0	100.0	100.0

An aim of the plan was to develop exports at an average annual rate of 2.8 per cent and to reduce imports by almost 0.4 per cent annually.

Table 14 reveals the trade balance and its projected development, as well as some reduction in the deficit during the plan period.

Table 14. Democratic Yemen: Balance of trade, 1969-1973/74

Item	Value (million dinars)				Growth rate, 1969-1973/74 (percentage)
	1969	1971/72	1972/73	1973/74	
Exports	51.5	53.2	55.5	56.1	9.0
Petroleum materials	48.2	50.0	51.7	51.7	7.3
Other materials	3.3	3.2	3.8	4.4	3.3
Re-exports	17.3	18.5	18.5	18.5	7.0
Total	68.8	71.7	74.0	74.6	
Average					8.5
Imports					
Petroleum materials	34.8	34.8	35.6	35.6	2.3
Other materials	51.6	50.4	50.2	50.2	2.8
Total	86.4	85.2	85.8	85.8	
Average					1.1
Balance of trade	17.6	13.5	11.8	11.2	

Source: The three-year plan for the development of the national economy, p. 104.

Measures for implementing the plan

Under the plan it was expected that measures would be taken:

(a) To set up a special fund for financing the local commitments and costs of the plan. This was to be an independent account in the treasury under the direct supervision of the Ministry of Finance. The fund was to include all funds allocated to financing the projects within the plan, except those that were to be financed by other governmental organizations from their own resources;

(b) To oblige the government organizations and institutions (by a special law) to contribute 50 per cent of their net profits to financing the plan (as of 1 April 1971);

(c) To withdraw a part of the reserves of some government institutions and include them in the fund;

(d) To consider as loans from the State, and according to agreed-upon conditions, government funds invested in the projects of the organizations, institutions and co-operatives;

(e) The Ministry of Finance, in co-ordination with the Planning Authority, was to issue orders and instructions governing the financing of the plan and to draw up the accounts of the annual budgets of the plan;

(f) To provide the human skills necessary to operate industrial projects through expanding education and training and by training the personnel of each factory separately;

(g) To expand and strengthen geological research and exploration operations and to develop ways and means of storing and transporting petroleum by-products, and to establish the South Yemen-Algerian Petroleum Company (SYACO) to explore and exploit oil resources;

(h) To establish a free zone in the Port of Aden;

(i) To activate work in the departments, organizations and companies related to export operations, and to improve the administration and management of the public and mixed sectors with a view to expanding production and improving the quality of export commodities;

(j) To guarantee a profitable and stable price for encouraging export commodities.

III. EGYPT

Characteristics of the national economy

The population of Egypt was 33.3 million in 1970, representing 27.1 per cent of the estimated total population of the Arab countries in that year. The country's population grows at an average annual rate of 2.4 per cent and is expected to reach 37.7 million by the mid-1970s. Urban population makes up some 38 per cent and rural population about 62 per cent of the total population. About 57 per cent of the population are above 15 years of age, and some 74 per cent of these persons are illiterate. In 1968, there were 8.3 million persons employed in the various sectors, of whom 53 per cent were engaged in agriculture and about 13 per cent were employed by the manufacturing sector.

Egypt has a total area of about 100.1 million ha, of which about 28 million ha (or about 2.7 per cent) are under cultivation. Seasonal crops cover 95.8 per cent (about 2.7 million ha) of the total arable area, as against 4.2 per cent (118,000 ha) for permanent crops. The main industrial crops are cotton, wheat, maize, sugar cane, onions, vegetables, fruits, flax, medicinal plants and odorous seeds.

The country has some important mineral ores, mainly phosphate, iron, manganese, asbestos, salt, glass sand, zinc, lead, talc and coal. In addition, increasing quantities of crude oil are discovered each year. Table 15 gives indices of the output of some extractive industries. In 1971, production of crude petroleum reached 11 million tons, or about 1.4 per cent of the total production of the Arab countries. Proved reserves are estimated at 52 million tons, also about 1.4 per cent of the total for all Arab countries. The country's natural gas reserves are put at 57 million m^3, or about 0.6 per cent of the total natural gas reserves of the Arab countries in 1972.

Under normal conditions, Egypt plays a traditionally important role in transporting Middle East oil through the Suez Canal. A new project is underway to construct an oil pipeline from Suez to Alexandria.

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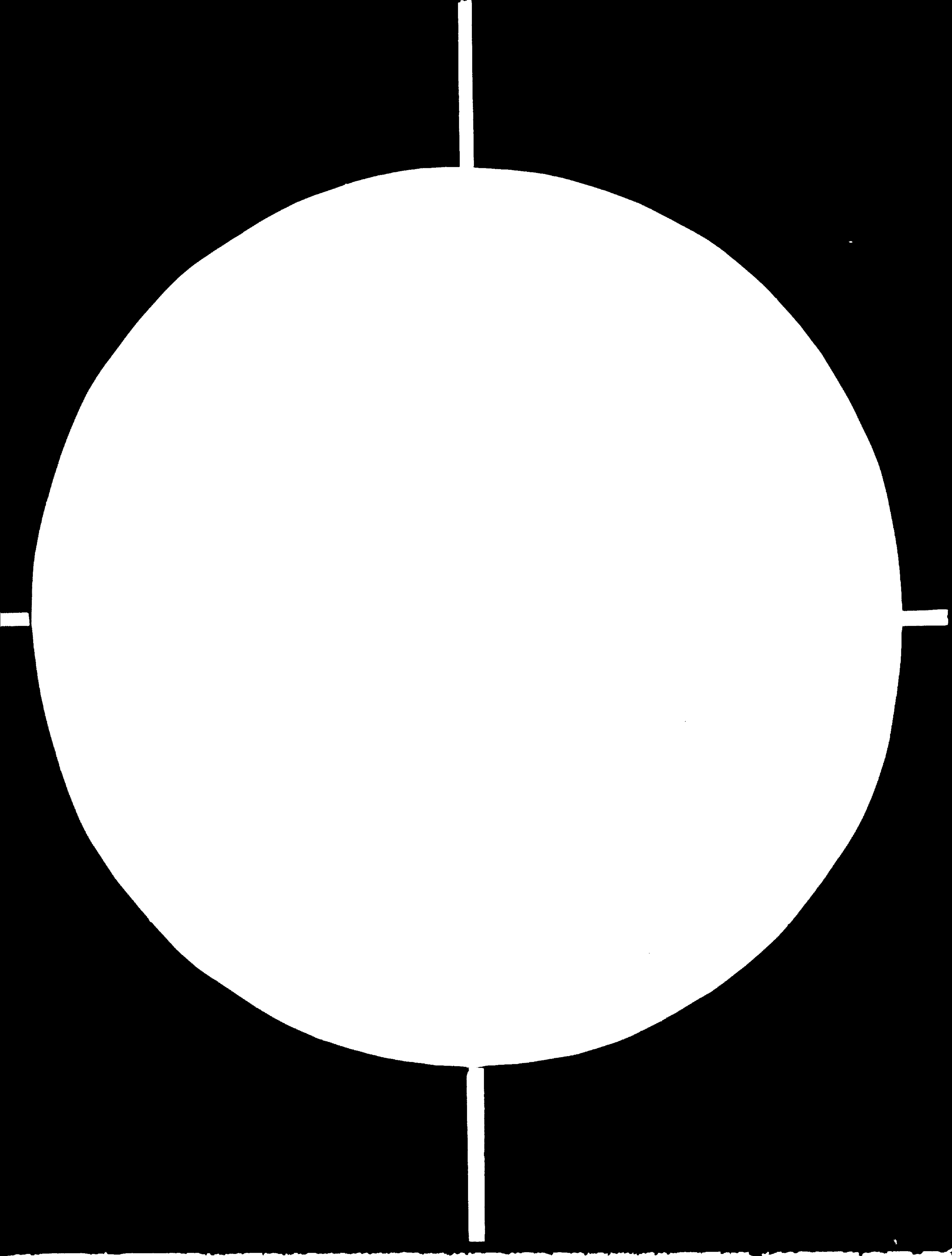

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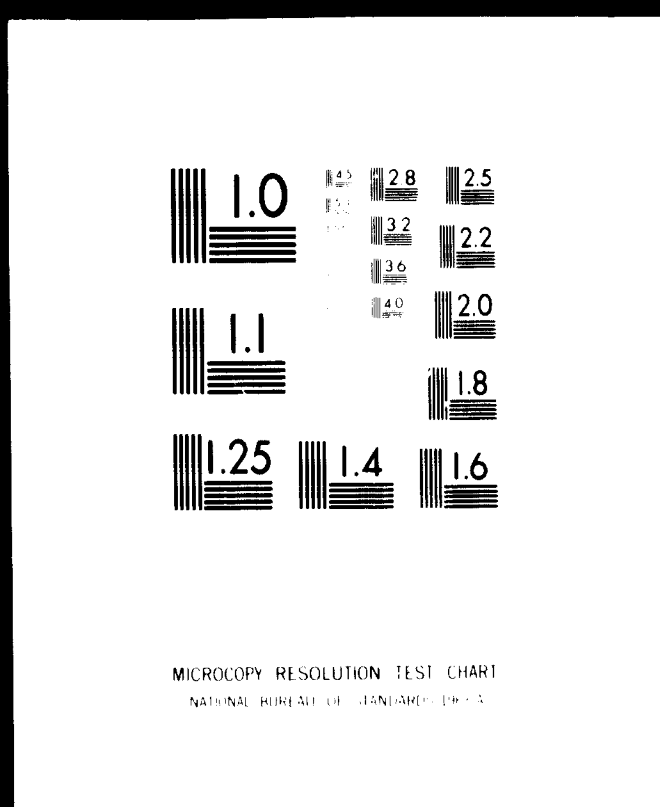

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Table 15. Egypt: Indices for some products of extractive industries, 1964/65 and 1969/70 (1959/60 = 100)

Product	1964/65	1969/70
Petroleum crude	199.3	455.4
Phosphate	95.5	115.5
Iron-ore	210.2	205.6

Source: National Bank of Egypt, Economic Bulletin, No. 4, 1972

Egypt is one of the major producers and consumers of electricity in the Arab world. In 1968, available energy was estimated at about 27 million kW, of which about 17 million kW were available from thermo-electric stations and about 1.1 million kW from hydro-electric stations. In the same year, the country's total electricity output was 6,735 million kWh, of which industry alone consumed 760 million kWh; the rest was used by other sectors.

In 1970, the country's GNP (at market prices) amounted to $687 million or about 19.2 per cent of the aggregate GNP of all Arab countries. In the same year *per capita* GNP was $210, of which $39.1 was contributed by industrial production. Over the period 1960-1970 GNP grew at an annual rate of 4.2 per cent, and the *per capita* share increased annually by 1.7 per cent. In contrast, GDP (at current prices) increased annually by 6.5 per cent over the previous plan period (1960-1965), and *per capita* GDP increased by 5.4 per cent in the period 1963-1968.

Table 16 shows the shares of the various sectors in GDP and the share of employment in each sector in 1968.

Table 16. Egypt: Distribution of GDP and employment, by economic sector, 1968 (Percentage)

Sector	GDP (at current prices)	Employment
Agriculture	29.4	53.3
Manufacturing	19.9	12.9
Other industries	3.2	0.8
Construction	4.7	2.5
Transport and communications	5.1	4.1
Wholesale and retail trade	9.2	7.2
Other activities	28.5	19.2
Total	100.0	100.0

Source: Background data tables.

Table 16 indicates that while agriculture was the major sector, the average productivity of agricultural workers remained relatively low since more than 50 per cent of the persons employed were engaged in agriculture while agricultural production was less than one third of GDP. This low productivity was explained by the limited area of cultivable land in general and the small area per agricultural worker. The successful economic development of the country, therefore, calls for a reform in the structure of employment by expanding the sectors where productivity per worker is relatively high, notably in manufacturing industry.

Table 16 also demonstrates the relative progress made by Egypt in the field of industrial development. In 1968, manufacturing contributed some 20 per cent of GDP (at current prices). Thus Egypt ranked first among all Arab countries in terms of the share of the manufacturing sector in GDP.

The Egyptian economy is also characterized by a large foreign trade sector and by a substantial and continuous deficit in the balances of trade and payments. The major problem the country faces in foreign trade results from the need to spare an increasing surplus of exports of goods to meet rising consumption, then having to market this surplus at competitive prices that would still cover the real cost of production. Table 17 shows the development of the balance of payments in the period 1968-1971. Constant deficits were recorded except in 1968 when a deflationary policy was adopted. Another feature revealed by the table is the small size of invisible receipts and net capital transactions, as compared with visible transactions.

The main exports of commodities are raw cotton (about 50 per cent of the value of total exports), cotton yarn, rice, cotton textiles, fruits, onions, cement, fuel and mineral oils. The principal imports include metal products, grains, machinery, electrical equipment, chemical products, transport equipment, wood, leather, rubber, animal and vegetable oils, paper and paper products, tobacco and grocery goods. The principal suppliers are the Federal Republic of Germany, France, Italy, United States of America and the Union of Soviet Socialist Republics, and the main importing countries are Czechoslovakia, German Democratic Republic, India, Japan and the Union of Soviet Socialist Republics.

Table 17. Egypt: Balance of payments, 1968-1971 (Million LE)

Item	1968	1969	1970	1971
Exports	288.7	319.7	355.4	369.7
Imports	369.3	418.4	517.8	540.8
Balance of trade	-80.6	-98.7	-162.4	-171.1
Invisible revenues	63.4	67.2	76.4	79.2
Invisible payments	89.3	100.8	114.7	119.2
Current transactions balance	-106.5	-132.3	-200.7	-211.1
Net capital transactions	1.3	-9.8	36.3	19.8
Transfers	110.5	128.8	134.0	121.3
Special drawing rights	-	-	11.0	8.9
Net deficit/surplus	+5.3	-13.3	-19.4	-61.1

Source: National Bank of Egypt, Economic Bulletin, No. 1, 1973.

Table 18 shows the rates of domestic investment, domestic savings and external financing in Egypt in the period 1960-1970. It also gives the corresponding rates for a longer period, thus making it possible to trace developments before and after the 1967 war.

Apart from 1968/69, which was an exceptional year following the war, during the early 1960s Egypt invested a considerable share (17.5 per cent) of its GDP. This share, however, declined to 14.7 per cent in the late 1960s, whereas savings averaged some 13 per cent over the decade.

The public sector plays a major role in the Egyptian economy within the framework of comprehensive national planning. The State owns and runs the country's banks, insurance companies, foreign trade firms, internal wholesale trade and some retail trade centres. It also controls most production units in the extractive and manufacturing industries, with the exception of some small enterprises. Agricultural activity is also subject to government planning in terms of maximum ownership of land, crop rotation, land leases, crop marketing, financing and the protection of certain crops. In contrast, the private sector is mainly engaged in housing and some craft activities.

Table 18. Egypt: Domestic investment and savings, foreign investment and sources of finance, 1960-1970

Year	Domestic investment	Domestic savings	Foreign investment	Sources of finance: Domestic savings	Sources of finance: External financing
	(as percentage of GDP)			(as percentage of investment)	
1968/69	12	12.9	-0.9	107.2	-7.2
1969/70	14.2	13.5	0.7	95.0	5.0
1960/61 - 1964/65	17.5	12.8	4.7	72.8	27.2
1965/66 - 1969/70	14.7	13.2	1.5	89	11
1960/61 - 1969/70	15.9	13.0	2.9	82.0	18.0

Source: National Bank of Egypt, Economic Bulletin, No. 4, 1972, p. 347.

Note: Foreign finance represents the difference between the value of imports and exports of goods and services.

Accordingly, the public sector assumes an equally important role in financing and implementing investment. Table 19 shows the sources of gross domestic savings in selected years.

Table 19. Egypt: Distribution of gross domestic savings, by sector (Percentage)

Sector	1960/61	1964/65	1969/70
Public	81.4	92.4	77.6
Private	18.6	7.6	22.4
Total	100.0	100.0	100.0

Source: National Bank of Egypt, Economic Bulletin, No. 4, 1972.

Table 20 shows the share of major groups of manufacturing industry in total value added in 1968 compared with 1963, as well as the average annual rate of growth of each branch over the period 1963-1968.

Table 20. Egypt: Distribution of value added by major group of manufacturing, 1963-1968 (Percentage)

Major group	Value added 1963	Value added 1968	Annual average growth rate (1963-1968)
Food, beverages and tobacco	16.7	20	16.8
Textiles and wearing apparel	29.1	31.9	13.6
Wood, wood products and furniture	1.6	0.8	-4.1
Paper, printing and publishing	5.4	4.2	5.7
Chemicals, petroleum, coal and rubber products	22.0	16.5	3.0
Non-metallic mineral products	6	4.5	3.0
Basic metals	4.2	5.3	18.4
Metal products, machinery and equipment	8.3	9.6	16.0
Other manufactures	6.7	7.2	13.1
Total	100.0	100.0	

Source: Background data tables.

The socio-economic development plan (1973-1977)

Objectives

The objectives and main features of the plan are:

(a) To double the national income in 10 years (1973-1982);

(b) To change radically the Egyptian economy to an agro-industrial economy by increasing the industrial output at a rate exceeding that for agricultural output the end of the fifth year of the plan;

(c) To decrease the deficit in the trade balance gradually and to achieve a surplus in the balance of payments, starting from the fifth year of the plan, in order to begin settling outside commitments and to achieve self-sufficiency in financing socio-economic development;

(d) To respond to the desires of the population by giving priority to the services projects in particular, and to some production projects;

(e) To raise the socio-economic standard of the rural population by beginning the reconstruction of villages, spreading electricity and providing purified potable water;

(f) To ease the housing problem by building no less than 20,000 housing units annually, in addition to industrial and rural housing in newly reclaimed areas and to those undertaken by the private sector;

(g) To take into consideration the rise in domestic consumption at an annual rate of 4.7 per cent, which exceeds the rate of population growth;

(h) To offer the largest number of new job opportunities possible within the context of the development plan;

(i) To improve reclaimed lands and to begin the reclamation of an additional 74,000 feddans,1/ and to develop irrigation and drainage schemes;

(j) To increase animal production, especially poultry and fish, in order to cut down the importation of meat;

(k) To strengthen internal transport and the air and maritime fleets, and to improve all transport and storage utilities;

(l) To raise the standard of education and to expand education at all levels and branches.

Aims of the industrial plan are:

(a) To increase industrial output by 62.1 per cent;

(b) To pursue the strategy of building a base for heavy industries by completing the iron and steel and aluminium complexes;

(c) To give special attention to petroleum exploration, exploitation, refining and processing, in addition to extending the Suez-Mediterranean pipeline;

(d) To expand capital, intermediate and consumer industries;

(e) To utilize the electricity produced by the High Dam.

<u>Effects of the plan on the structure of the economy</u>

It is expected that the gross domestic fixed investment during the plan will amount to 3,080.4 million Egyptian pounds (LE). The main features of the plan and its effects on the economy are shown in table 21.

1/ 1 feddan = 42.008 a (4.220 m^2).

Table 21. Egypt: Summary of the development plan (1973-1977)

Item	1972	1977	Average annual growth rate (percentage)	Growth rate, 1973-1977 (percentage)
GDP at factor cost (million LE)	2 875	4 070	7.2	41.6
Average *per capita* share in GDP (LE)	82	102	4.9	24.5
Planned gross fixed investment (million LE)	440.4	796.4	16.2	80.8
Employment (thousand workers)	8 673.3	9 907	2.8	14.2

Source: The socio-economic development plan (1973-1977).

Some economic indications of the plan are:

Planned gross investment as percentage of GDP: 15.3 per cent

Gross domestic investment as percentage of GDP: 14 per cent

Gross domestic savings as percentage of gross domestic fixed investment: 89.9 per cent.

Table 22 gives the planned share of the various sectors in GDP at factor cost. It shows a decrease in the share of the agricultural sector and an increase in the shares of the manufacturing and extractive industry sectors, with the highest annual growth rates expected for the extractive industries, transport and communications, and storage.

Table 22. Egypt: Planned share of economic sectors in GDP, 1972-1977 (At factor cost)

Sector	Value, 1972 (million LE)	Value, 1972 (percentage)	Value, 1977 (million LE)	Value, 1977 (percentage)	Average annual growth rate (percentage)
Agriculture	834	29.0	992.3	24.4	3.8
Extracting industry	35.1	1.2	84.0	2.1	27.9
Manufacturing industry	587.1	20.4	924.6	22.7	11.5
Construction	114.0	4.0	177.5	4.4	11.1
Electricity	45.6	1.6	80.0	1.9	15.1
Transport, communications storage	163.5	5.7	353.8	8.7	23.3
Trade and finance	260.4	9.1	363.4	8.9	7.9
Housing	122.5	4.3	139.4	3.4	2.8
Public utilities a/	12.3	0.4	15.2	0.4	4.7
Social development services	700.4	24.3	939.8	23.1	6.8
Total	2 874.9	100.0	4 070.0	100.0	
Average					8.3

Source: Plan analysis tables.

a/ Public utilities include potable water, hygienic drainage and public baths.

Table 23 gives the planned share of major groups of manufacturing industry in total manufacturing output.

Table 24 gives more details of the production objectives and value added in the various branches of the manufacturing industry in 1972 and 1977, together with a comparison of market prices and factor cost.

Table 23. Egypt: Planned share of major groups of manufacturing in total manufacturing output, 1972-1977
(Percentage)

Major group	1972	1977	Average annual growth rate
Food, beverages, and tobacco	22.6	16.8	3.3
Textiles and wearing apparel	33.1	27.3	5.9
Wood products and furniture	3	2.8	9.6
Paper, printing and publishing	4.7	5.2	9.5
Chemicals, petroleum, coal and rubber products	14.9	16.5	15.0
Non-metallic mineral products	4.5	3.9	7.1
Basic metals	4.6	9.9	47.8
Metal products, machinery and equipment	11.3	17.5	30.0
Total	100	100	

Source: Plan analysis tables.

Table 24. Egypt: Planned output and value added for major groups of manufacturing, at market prices and factor cost, 1972 and 1977
(Million LE)

Major group	1972			1977		
		Value added			Value added	
	Output	Market price	Factor cost	Output	Market price	Factor cost
Food	874.6	116.7	113.4	1 030	130.3	130.3
Beverages	22.2	6	4	26.3	7.5	7.5
Tobacco	167.5	15	15.5	188.2	17.3	17.3
Spinning and weaving	450	142.4	135.9	596	187.7	179.1
Wearing apparel and foot-wear	100	33.6	33.6	132	44.3	44.3
Leather and leather products	22.5	7.8	7.8	34	9	9
Wood and wood products	41	17.6	17.6	60.6	26	26
Paper and paper products	27.5	11.2	11.2	42.7	16.4	16.4
Printing and publishing	33	16	16	37	17.8	17.8
Chemicals	147.5	65.9	62.3	236.9	104.3	99.4
Petroleum products	106.6	58.9	17	213.2	117.9	33.7
Coal products	9.7	1.9	1.9	32.2	9.3	9.3
Rubber products	16.4	6.5	6	26	11.7	10.7
Non-metallic mineral products	62.9	29.2	26.5	85.9	39.2	35.9
Basic metal products	90	27	27	271.7	91.6	91.6
Metal products	50	18.2	18.2	102.4	37.4	37.4
Manufacture and repair of non-electrical machinery	23	9.2	9.2	48.4	19.5	19.5
Manufacture and repair of electrical machinery	50	10.4	19.4	87.9	34.4	34.4
Manufacture of trans-port equipment	55	19.4	19.4	202	70.9	70.9
Other manufactures	16	8.2	8.2	27.9	14.4	14.4
Total	2 365.4	621.1	570.1	481.3	1 006.9	904.9

Source: Plan analysis tables.

Table 25 gives the share of the various sectors in the gross fixed domestic investment under the plan, together with the share of each sector over five years.

Table 25. Egypt: Planned share of the economic sectors in gross fixed investment, 1973-1977

Sector	Total		Public sector		Private sector	
	Value (million LE)	Share in gross fixed investment (percentage)	Value (million LE)	Share in gross fixed investment (percentage)	Value (million LE)	Share in gross fixed investment (percentage)
Commodity sector	1 667.1	54.1	1 617.6	97.0	49.5	3
Agriculture, irrigation, drainage	397.5	12.9	372.5	93.7	25	6.3
Industry, petroleum, mineral wealth	1 029.5	33.4	1 007	97.8	22.5	2.2
Electricity	204.1	6.6	204.1	100.0	-	-
Contracting	36	1.2	34	94.4	2	5.6
Distribution sector	706.0	22.9	674	95.5	32	4.5
Transport, communications, storage	681.1	22.1	651.1	95.6	30	4.4
Trade and finance	24.9	0.8	22.9	92.0	2	8.0
Services sector	707.3	23.0	537.3	76	170	24
Housing	352	11.4	191	54.3	161	45.7
Public utilities	131.4	4.3	131.4	100.0	-	-
Social development services	223.9	7.3	214.9	96.0	9	4
Total	3 080.4	100.0	828.9		251.5	
Average				91.8		8.2

Source: Plan analysis tables.

Table 26 gives the distribution of employment among the various sectors in 1972 compared with 1977. The agricultural sector will continue to absorb the major part of employment in Egypt, with a slight decline in its share, from 47.4 to 44.5 per cent. Rapid growth rates are planned for employment in the electricity, construction, industrial, transport, communications and storage sectors.

Table 26. Egypt: Distribution of employment, by economic sector, 1972 and 1977

Sector	1972 Number of employed (thousands)	1972 Share in total (percentage)	1977 Number of employed (thousands)	1977 Share in total (percentage)	Average annual growth rate (percentage)
Agriculture	4 113.6	47.4	4 406.4	44.5	1.4
Industry	1 062.0	12.2	1 294.8	13.1	4.4
Electricity	31.5	0.4	44.9	0.5	8.5
Construction	346.5	4.0	460.0	4.6	6.6
Transport, communications, storage	378.9	4.4	459.4	4.6	4.2
Trade and finance	848.9	9.8	995.6	10.0	3.5
Housing	137.9	1.6	153.7	1.6	2.3
Public utilities	40.6	0.5	44.3	0.5	1.8
Social development services	1 713.4	19.7	2 047.9	20.6	3.9
Total	8 673.3	100	9 907	100.	
Average					2.8

Source: Plan analysis tables.

Table 27 gives the planned development in the balance of payments from 1972 to 1977, showing a decrease in the trade balance deficit from LE 158 million to LE 100.8 million. At the same time the deficit in the balance of payments is expected to decrease from LE 80 million to a surplus of LE 17 million owing to the great expansion of invisible transactions, especially in revenues from the SUMED pipeline.

Table 27. Egypt: Target development in the balance of payments
(Million LE)

	1972	1977	Incremental rate (percentage)
A. Trade balance			
Exports	375	558	48.8
Agricultural	207	241	16.4
Industrial (excluding petroleum)	137	245	78.8
Petroleum and its products	12	32	176.6
Share in petroleum companies	19	40	110.5
Imports	533	658.8	23.6
Consumer goods	130	165	26.9
Petroleum and its produc products	112	33.8	-69.8
Intermediate goods	199	270	35.7
Capital goods	92	190	106.5
Balance	1 158	1 100.8	-36.2
B. Invisible transactions			
Revenues	83	259.8	212.4
Services a/	59	227.8	286.1
Transfers	24	32	...
Payments	102	121	33.3
Services	66	75	13.6
Transfers	36	46	27.8
Balance	19	138.8	730.5
C. Partner's share	-19	-40	-110.5
D. Arab aid	+116	+19	- 83.6
Total: surplus/deficit	-80	+17	121.3

Source: Plan analysis tables.

a/ Includes revenues of SUEMED oil pipeline.

It was not possible to obtain information on the planned projects in Egypt under the 1973-1977 plan. The existing and planned projects for 1970-1975 were diversified and were distributed among the various branches of the manufacturing industry. There was a trend to set up large industrial complexes, such as the one for petrochemicals in Alexandria at a capital of LE 70 million; the Cairo petrochemical complex (LE 31 million); an electric aluminium production project (LE 47 million); the SUMED pipeline at a cost of about LE 120 million; an iron and steel complex; and a small car factory with an annual production capacity of 25,000 cars.

IV. IRAQ

Characteristics of the national economy

In 1970, the population of Iraq was estimated at 9.7 million or 7.9 per cent of the estimated total population of the Arab countries in the same year. Between 1960 and 1970 the population grew at an annual average rate of 3.5 per cent, and it is expected to reach 11.5 million by the mid-1970s. In 1968, those above the age of 15 constituted 52 per cent of the population. Urban population amounted to 48 per cent of the total, and rural population to 52 per cent. Illiteracy was estimated at 70 per cent. The number of workers was 2.5 million in the same year, or about 29.5 per cent of the total population and about 70 per cent of those above 15 years old.

Iraq is distinguished by its spacious agricultural land (10.2 million ha), amounting to about 23.5 per cent of the country's total land area. But of this agricultural land, only 163,000 ha, or 1.6 per cent, come under permanent cultivation; 63,000 ha, or 0.6 per cent, are permanent pastures and grazing ground; and the rest, about 10 million ha, or 97.8 per cent, are planted with seasonal crops. The smallness of the area under permanent cultivation is owing to the inadequacy of the irrigation network and the shortage of dams that could be utilized to store up the waters of the Tigris and Euphrates Rivers. The low productivity of the land is caused by drainage problems. The chief manufacturable crops produced in 1968 were: dates (about 260,000 tons), barley (931,000 tons), maize (18,000 tons), rice (325,000 tons), tomatoes (241,000 tons), olives (9,000 tons), cotton seed (25,000 tons), sesame seed (120,000 tons), linseed (12,000 tons) and cotton (12,000 tons).

The livestock wealth of Iraq in relation to the total livestock for Arab States amounts to: cows and buffaloes 6.8 per cent, sheep and goats 13.6 per cent, camels 4.8 per cent, riding animals 11.6 per cent, and poultry 4.11 per cent.

Iraq is an important petroleum-producing country. In 1972, for example, its output of crude petroleum reached 67 million tons, that is 2.6 per cent of world output and 8.3 per cent of the Arab oil production. The country's proved petroleum reserves were put at 7.2 billion barrels or 7.8 per cent of Arab and 4.3 per cent of world reserves. Its natural gas output, in 1972, reached 870 million m^3; its natural gas reserves have been put at 566 billion m^3, or 1.1 per cent of world and 5.8 per cent of Arab natural gas reserves.

In addition to petroleum and natural gas, Iraq produces 43,000 tons of salt, as well as limited quantities of crude sulphur and quartz.

Iraq ranked fourth among the Arab countries in terms of electricity output. In 1968, it had an electricity output capacity of 1,622 million kWh.

The GNP in 1970 was $3,090 million (at market prices), or about 8.5 per cent of the total GNP of the Arab countries. the per capita share of GNP was $320 compared with $290 for the Syrian Arab Republic, $250 for Jordan and $3,760 for Kuwait. Iraq achieved an average annual growth rate in GNP and in the per capita share of GNP of 6 per cent and 2.5 per cent respectively over the period 1960-1970.

The GNP in Iraq is less than the GDP because of the revenues accrued to foreign companies. The proportion of GNP to GDP in 1968 was about 85 per cent.

Over the period 1963-1968, Iraq realized a high annual growth rate in GDP (at factor cost and current prices) of about 11.5 per cent, the per capita share in the national product rose by 6.8 per cent, and the per capita share in the industrial product rose by 11.5 per cent.

Table 28 shows the percentage distribution of GDP, employment and fixed capital investment in 1968.

Table 28. Iraq: Distribution of GDP, employment and investment, by economic sector, 1968
(Percentage)

Sector	GDP	Number of workers	Share of fixed investment in total investment
Agriculture	19.2	56.7	13.4
Manufacturing industry	8.8	5.9	22.5
Other industries	35.3	1.1	17.1
Construction	3.0	2.7	1.4
Transport and communications	6.5	5.7	11.4
Trade and finance	6.1	5.6	4.6
Other activities	21.1	22.3	29.6
Total	100.0	100.0	100.0

Source: Background data tables.

Table 28 reveals the relative importance of agriculture in the national economy (19.2 per cent), although the output of the other industries sector (which includes the extraction of petroleum) had the largest share (35.3 per cent) of GDP. The share of manufacturing industry did not exceed 8.8 per cent of GDP. The largest number of workers (56.7 per cent) were engaged in agriculture; manufacturing and other industries employed only 5.9 per cent and 1.1 per cent respectively of the total. As the table shows, manufacturing industry accounted for a large proportion of the fixed domestic capital investment (22.5 per cent compared with 13.4 per cent for agriculture and 17.1 per cent for other industries).

The output of manufacturing industry alone made up about 20 per cent of the gross industrial output in 1968. The average annual growth rate of manufacturing industry during the previous five-year plan (1965-1969) amounted to 9.8 per cent, compared with 6.7 per cent for agriculture and 5.9 per cent for other industries.

Table 29 gives the share of major groups of manufacturing in total manufacturing output in 1968.

Table 29. Iraq: Share of major groups of manufacturing in total manufacturing output, 1968
(Percentage)

Major group	Share in total
Food, beverages and tobacco	43.5
Textiles and leather goods	15.7
Wood products and furniture	...
Paper, printing and publishing	...
Chemicals, petroleum, coal and rubber products	22.6
Non-metallic mineral products	10.5
Basic metals	...
Metal products, machinery and equipment	4.2
Other manufactures	...
Total	100.0

Source: Background data tables.

The economy of Iraq is characterized by a high rate of national savings, which amounted to 25 per cent of GNP at factor cost in 1968, while the fixed domestic investment amounted to only 17 per cent of GNP in the same year. The high capacity of the economy of Iraq to provide national savings is the result of increasing petroleum revenues. The low share of investment in GDP, compared with the high rate of savings, is a result of the economy's limited absorptive capacity, which in turn is owing to a shortage in human skills, the weakness of the construction sector and the undeveloped financial system. The country's foreign reserves over the period 1967-1971 amounted to $160 million in gold and $301 million in foreign currencies, in addition to $24.5 million deposits in commercial banks, $6 million deposits in the International Monetary Fund (IMF) and $2.5 million special drawing rights.

The economy depends largely on foreign trade. During the previous five-year plan (1965-1969) annual exports averaged 40 per cent of GDP, while imports averaged 21 per cent.

Exports are concentrated in a few commodities; chief among them is petroleum, which constitutes 90 to 94 per cent of total exports. Iraq also exports foodstuffs, especially dates and barley, as well as raw materials, such as hides, raw wool and cotton, and some manufactured goods such as cement.

Consumer goods make up about 40 per cent of the country's imports, and capital goods amount to 42 per cent. The most important consumer goods imported by Iraq are sugar, tea, fruit, vegetable, silk and cotton cloth and medicines; the most important capital goods are machines, tools, motors, railway ties, iron brackets,iironssheets and electrical equipment.

Iraq is distinguished by a surplus in the current transactions balance; annual average value of exports (1967-1970) amounted to $1,026 million, while the annual average value of imports in the same period was $544.4 million, or an average annual surplus of $481.7 million.

The Government and the public sector have played a direct and prominent role in the economic activity of Iraq in recent years. The share of the public sector in fixed domestic investment under the previous five-year plan (1965-1969) was 57.5 per cent, while the share of the private sector was only 42.5 per cent over the same period, compared with a share of 63.1 per cent for the public sector and 36.9 per cent for the private sector in 1964, and 50.2 per cent for the public and 49.8 per cent for the private sector in the period 1957-1963.

The national development plan (1970-1974)

Objectives

The national development plan for 1970-1974 had the following socio-economic objectives:

(a) To double the national income in less than 10 years;

(b) To concentrate on the development of commodity sectors, especially in agriculture and industry;

(c) To utilize and exploit fully the mineral resources with a view to developing the production structure and reducing dependence on petroleum revenues;

(d) To achieve monetary stability and prevent inflation;

(e) To distribute the plan's projects among the governorates of the Republic and to maintain a balance between socio-economic and technical aims;

(f) To achieve economic co-ordination and integration with the Arab States in application of the principle of regional specialization;

(g) To expand educational, health and other services;

(h) To increase work opportunities, co-ordinate wages and link wages with productivity of workers, and to guarantee a dignified standard of living for those with limited income;

(i) To achieve social justice and to ensure that those with limited income shall secure the greatest benefit from the development process;

(j) To expand the industrial sector at an annual compound rate of 13.8 per cent;

(k) To bring all projects currently under construction to the production stage as soon as possible;

(l) To raise industrial productivity by expanding training and improving the quality and methods of production;

(m) To utilize idle capacities and to avoid setting up new projects in sectors where there is unutilized excess capacity;

(n) To expand export-oriented industries the products of which have a high demand abroad, such as cement, vegetable oils, petroleum products and woollen cloth;

(o) To produce manufactured goods from locally available raw materials such as foodstuffs;

(p) To give attention to the petroleum and petrochemical industries;

(q) To expand the engineering and construction industries.

The national development plan in Iraq was put into effect on 1 April 1970 (the beginning of the financial year). It was a five-year plan, but some modifications were introduced in the second year of implementation.

These modifications were generally designed to make the plan more ambitious in line with the Government's increasing revenues from petroleum, which resulted from the petroleum agreements that were concluded after the original plan had been drawn up. In 1971, for example, the Government's allocations were increased by about 358.5 million Iraqi dinars (ID). And, in 1972, the allocations of the self-financing sector (the public sector) were increased by about ID 178 million.

Table 30 summarizes the over-all objectives of the plan before and after it was modified.

<u>Effects of the plan on the economy of Iraq</u>

The objective of the second development plan was to achieve a growth rate of GDP capable of doubling the national income in less than 10 years, or an annual simple growth rate of 9.3 per cent (8.5 per cent compound rate). It may be noted that the first development plan (1965-1969) achieved a simple annual growth rate for GDP (at current prices) of 7.3 per cent.

Under the modified plan, it was anticipated that the simple growth rate of *per capita* income would be 7.1 per cent annually. Consequently, the goal was to increase the *per capita* share (at factor cost) from ID 100.8 in 1969 to about ID 135.6 in 1974, and also to increase the *per capita* share in industrial output from ID 10 to about ID 17 during the same period.

Table 31 indicates the investment allocations of the original plan among the various economic sectors, the modifications that were introduced up to September 1973, and the capital/output ratio at the national and sectoral levels.

Table 30. Iraq: Objectives of the development plan (1970-1974) before and after modification

Item	Original plan	Modified plan
Planned GDP 1974 (million ID) a/	1 404.7	1 678.1
Planned average annual growth rate of GDP (percentage)		
Simple	7.0	9.3
Compound	6.2	8.5
Planned GDP, 1970-1974 (million ID)	6 294.9	7 052.4
Planned *per capita* income 1974 (ID) b/	114.0	135.6
Planned annual simple growth rate of *per capita* income (percentage)	3.5	7.1
Planned over-all investment, 1970-1974 (million ID)	1 072.4	1 608.9
Share of investment in GDP, 1970-1974 (percentage)	15.9	22.5
Planned increase in employment (percentage)	24.0	38.9

Source: National development plan and its modifications.

a/ GDP for 1969 was ID 1,039 million.

b/ *Per capita* income for 1969 was ID 100.8.

Table 32 indicates the planned GDP and its sectoral distribution, at factor cost, compared with GDP in 1969.

Table 33 gives the expected development in employment in different sectors. It reveals the stability of the share of employment in the various sectors under the second plan (1970-1974).

Table 31. Iraq: Investment allocations according to the development plan (1970–1974) and its modifications up to September 1973

Sector	Investment allocations in original plan (million dinars)	Share in total (percentage)	Investment allocations after first modification a/ (million dinars)	Share in total (percentage)	Investment allocation after second modification b/ (million dinars)	Share in total (percentage)	Capital output ratio
Agriculture	211.0	19.7	362.5	25.3	367.5	22.8	2.67
Manufacturing industry	212.5	19.8	275.0	19.2	301.1	18.7	3.22
Other industries	181.5	16.9	194.2	13.6	342.3	21.3	4.02
Building and construction c/							
Transport and communications	149.3	13.9	185.9	13.0	185.9	11.6	4.92
Trade and finance	32.5	3.1	32.5	2.3	32.5	2.0	0.78
Other activities	285.6	26.6	380.8	26.6	379.6	23.6	3.82
Total	1 072.4	100.0	1 430.9	100.0	1 608.9	100.0	
Average							2.92

Source: The national development plan and its modifications.

a/ According to law 158, of 1971, published in the Official Gazette of Iraq on 12 January 1972, which increased the investment allocations of the central government sector by ID 358.5 million.

b/ According to data from the Ministry of Planning in September 1973, which show the increase in investment allocations for the self-financing sector alone by about ID 177.10 million.

c/ Investment allocations for building and construction have been distributed among the other sectors.

Table 32. Iraq: Planned GDP at 1969 prices and factor cost,[a] by economic sector, 1970–1974

Sector	Output, 1969 (million dinars)	Share in total (percentage)	Planned output, 1974 (million dinars)	Share in total (percentage)	Incremental change (million dinars)	Incremental change (percentage)	Compound rate of growth (percentage)
Agriculture	202.0	18.4	335.1	20.4	133.1	65.9	10.7
Manufacturing industry	103.0	9.4	196.5	11.9	93.5	90.8	13.8
Other industries[b]	360.0	32.4	445.1	27.0	85.1	23.6	4.4
Building and construction	36.9	3.4	97.2	5.9	60.3	163.4	10.3
Transport and communications	69.1	6.3	106.9	6.5	37.8	54.7	9.2
Trade and finance	105.6	9.6	147.3	8.9	41.7	39.5	7.0
Other activities	220.6	20.1	320.0	19.4	99.4	45.1	7.7
Total	1 097.2	100	1 648.1	100	550.9		
Average						50.2	8.5

Source: The economic development plan and its modifications.

a/ According to investment allocations in table 31.

b/ Including mining, petroleum, electricity and gas.

Table 33. Iraq: Planned development in employment, by economic sector, 1970–1974

Sector	Number of workers, 1969	Share in total (percentage)	Number of total 1974	Share in total (percentage)	Incremental change (number of workers)	Incremental change (percentage)	Average annual growth rate (percentage)	Per capita share in investment (dinars)
Agriculture	1 449 800	56.9	2 008 319	56.7	558 519	38.5	6.7	658.1
Manufacturing industries	148 000	5.8	233 114	6.6	85 114	57.5	9.4	3 542.5
Other industries	28 400	1.2	37 749	1.1	9 350	32.9	5.9	36 608.8
Building and construction	67 000	2.6	105 978	3.0	38 978	58.2	9.6	-
Transport and communications	143 000	5.6	175 370	5.0	32 370	22.6	4.2	5 741.9
Trade and finance	145 000	5.7	178 990	5.1	33 990	23.4	4.2	955.9
Other activities	565 000	22.2	797 380	22.5	232 380	41.1	7.1	1 876.0
Total	2 546 200	100.0	3 536 900	100.0	990 701			
Average						38.9	6.8	1 734.9

Source: The economic development plan and its modifications.

Table 34 shows the distribution of investment among branches of manufacturing over the period 1970-1974. It should be noted that these investments were restricted to the government sector and self-financing or public sector.

Table 34. Iraq: Distribution of invesment, by major group of manufacturing, 1970-1974

Major group	Investment (million dinars)	Share in total (percentage)
Food, beverages and tobacco	27 560	9.1
Spinning and weaving	42 902	14.1
Wood and wood products	2 800	0.9
Paper, printing and publishing	18 000	5.9
Chemical products	156 918	51.6
Non-metallic mineral products	35 180	11.6
Basic metals	1 000	0.3
Machines, tools and equipment	17 515	5.8
Other manufactures	2 430	0.7
Total	304 305	100.0

Source: The economic development plan and its modifications.

Eighty-two projects were scheduled to be implemented under the plan. Most important were a sugar plant at Salmaniya, with a capital of ID 8.9 million, and the expansion of a sugar plant at Mosul at a cost of ID 5.1 million. A cotton textile factory at Kamout received the largest investment allocation in the spinning and weaving industry. A paper mill was planned at Basra at a cost of ID 18 million with an annual output capacity of 40,800 tons. An artificial silk factory was planned at a cost of ID 12.9 million with an annual output of 8,500 tons. The most important project was the petrochemicals complex, which was to be built at a cost of ID 60 million, and was expected to have an output capacity of 120,000 tons of ethylene. In addition, the petroleum refineries at Basra and Mosul were to be developed at a cost of over ID 38 million.

Table 34 also shows that attention was being focused on manufacturing local raw materials for export as finished products.

Table 35 gives the distribution of investment among the government, public and private sectors, according to the first and second development plans.

Table 35. Iraq: Distribution of investment among the government public and private sectors: comparison of the first with the second development plan
(Percentage)

Sector	First development plan, 1965-1969	Second development plan, 1970-1974
Central Government	10.0	51.3
Self-financing (public)	48.0	30.9
Private	42.0	17.8
Total	100.0	100.0

Source: The economic development plan and its modifications.

The economy of Iraq is distinguished by its savings capacity. It was anticipated that the total domestic savings in proportion to total investments under the second development plan would amount to 102 per cent (compared with 118.9 per cent under the first development plan). It was also anticipated that total domestic savings would amount to 27.8 per cent of GDP.

The financial sources for investments of the second development plan (1970-1974) were:

Sector	Share in total domestic savings (percentage)
Government	43.1
Public	25.2
Domestic	17.8
Private	13.9
Total	100.0

With regard to foreign economic transactions, the objective of the plan was to increase current income from abroad from ID 414.1 million in 1969 to ID 472.9 million in 1974, or at an average annual growth rate of 2.7 per cent. At the same time, current payments were expected to rise from ID 372.6 million in 1969 to ID 438.6 million in 1974, or at an average annual growth rate of 3.3 per cent. As a result, the surplus in the current account was expected to drop from ID 41.5 million to ID 34.3 million under the plan, or at an annual rate of decrease of 3.2 per cent.

Table 36 shows the changes and developments expected in the main branches of current transactions.

Table 36. Iraq: Planned foreign transactions, 1970-1974

Item	Value 1969	Estimated value, 1974	Average growth rate (percentage)
	(million dinars)		
Exports of goods and services	407.5	465.5	+2.7
Revenues from abroad	3.8	4.2	+2.0
Current transfers from abroad	2.8	3.2	+2.7
Total revenues	414.1	472.9	+2.7
Imports of goods and services	208.4	263.0	+4.7
Revenues paid abroad	162.2	173.4	+1.2
Current transfers abroad	1.0	1.2	+3.7
Total current payments abroad	372.6	438.6	+3.3
Surplus in current account	41.5	34.3	-3.2

Source: Ministry of Planning, Baghdad.

The plan sought to raise the share of capital and intermediate goods from 65 per cent of total imports in 1969 to about 75 per cent in 1974 to meet the increasing demand for these goods.

The share of imported consumer goods was expected to drop from 35 per cent in 1969 to about 25 per cent in 1974.

Measures for implementing the development plan (1970-1974)

The following measures and procedures were adopted in carrying out the plan:

(a) Depending on the effectiveness of the public sector's organizations and companies in directly executing the investments stipulated in the plan, drawing up production plans for public establishments and creating the suitable circumstances in which the private sector could play its role in development within specified limits;

(b) Following the principle of decentralization in implementing the plan and developing machinery for local governments to allow them more initiative and to increase regional planning;

(c) Strengthening and developing the State's statistical and planning agencies, and raising the efficiency of the administrative bodies;

(d) Strictly supervising the implementation of the plan as to schedule, follow-up and evaluation;

(e) Establishing a financial scheme for the plan in order to facilitate procedures and to prevent the reallocation of investment funds to cover some current expenditures;

(f) Supplying the agencies responsible for implementing the plan at all levels with the required technical cadres;

(g) Giving attention to education by increasing classes at the primary education level by 45 per cent and at the intermediate and secondary levels by 174 per cent; meeting the requirements of university and higher education in terms of buildings and equipment; and expanding technical education and training by establishing agricultural and industrial schools;

(h) Improving the efficiency of the banking system by expanding services throughout the land, especially those of specialized banks such as the industrial, agricultural and real estate banks; preparing a credit budget that would guarantee monetary stability and organizing credit to conform with the volume of transactions;

(i) Revising the executive procedures for applying the industrial development law to make it more effective in achieving its objectives;

(j) Organizing foreign trade policies and procedures to achieve the objectives of the plan.

V. JORDAN

Characteristics of the national economy[1/]

In 1970, Jordan had a population of 2.3 million, or 1.9 per cent of the estimated total population of the Arab countries. The average annual rate of population growth in the period 1960-1970 was 3.5 per cent; it was estimated that the population would reach 2.7 million by 1975. According to the 1961 census, the proportion of the population over 15 years of age amounted to 54.6 per cent of the total, the urban and rural population constituted 43.9 per cent and 56.1 per cent respectively. The illiteracy rate for persons over 15 was 67.6 per cent of the total population. The number of workers totalled 390,000, or 22.9 per cent of the population and 42 per cent of those over 15, thus indicating a high level of unemployment. Table 37 gives the employment distribution among the various sectors of the economy in 1961.

Table 37. Jordan: Distribution of employment, by economic sector, 1961

Sector	Share in employment (percentage)
Agriculture	35.3
Manufacturing	8.4
Other industries	2.8
Construction	10.3
Transport and communications	3.1
Trade	8.0
Other activities	32.1
Total	100.0

Source: Background tables.

Jordan occupies an area of 9.8 million ha, of which 1.4 million ha, or 14.3 per cent, are arable land; 1.25 million ha, or 13 per cent, are forest land; the remainder consists of desert and an inland sea. The proportion of seasonally cropped land is 80.9 per cent of the total agricultural land area;

1/ These relate to the economy on both sides of the River Jordan.

permanent crops account for 12 per cent and permanent pastures for 7.1 per cent. As agriculture is largely dependent on rainfall, which is irregular, agricultural output varies from year to year. Efforts are being made, however, to increase the agricultural land area by several irrigation projects. The major agricultural crops of Jordan in 1968 were: tomatoes (127,000 tons), barley (20,000 tons), olives (17,000 tons), sesame seeds (6,000 tons), and maize, cotton, vegetables, fruit and tobacco.

Jordan has few livestock; its share of the total livestock of Arab countries is accordingly small: 0.2 per cent of the total number of cows and buffaloes; 1.1 per cent of the sheep and goats; 0.3 per cent of the camels; 1.2 per cent of the beasts of burden; and 2 per cent of poultry.

The Gulf of Aqaba and the rivers Jordan and Yarmouk are the main sources of fresh fish.

Jordan is relatively poor in mineral wealth. Its mineral deposits - with the exception of phosphates, salt, olay and sand - are insufficient for the establishment of extractive industries. In 1968, the production of phosphates amounted to 1.2 million tons, or 1.4 per cent of the total world production. Salt production reached 16,000 tons. The availability of non-metallic minerals makes possible the establishment of a ceramics and glass industry.

Output of electrical energy generated by power stations in 1968 amounted to 156 million kWh, of which 40 million kWh were used by industry alone.

GNP (at current prices) was estimated at $570 million in 1970, or 1.6 per cent of the total GNP of the Arab States. GNP increased at an average annual rate of 2.9 per cent in the period 1963-1968; GNP <u>per capita</u> amounted to $250 in 1970 as compared with $290 for the Syrian Arab Republic, $320 for Iraq and $590 for Lebanon.

GNP exceeds GDP in Jordan because of a net surplus in remittances from abroad. This surplus rose by 2.6 per cent in 1968. Services and particularly trade are the mainstay of the economy. Table 38 shows the distribution of GDP and employment according to economic activity.

Table 38. Jordan: Distribution of GDP (at factor cost) and of employment, by economic sector, 1968
(Percentage)

Sector	GDP	Employment [a]
Agriculture	16.3	-
Manufacturing	9.6	36.8
Other industries	3.2	5.8
Construction	5.8	...
Transport and communications [b]	8.6	...
Trade [c]	19.1	42.9
Other activities	38.6	14.5 [d]
Total	100.0	100.0

Source: IDCAS, Industrial Investment Director, Jordan, .970.

a/ Excluding agriculture.

b/ Including storage.

c/ Including restaurants and hotels.

d/ Including transport and communications.

In 1968, trade accounted for 19.1 per cent of GDP, followed by agriculture with a share of 16.3 per cent. The latter sector also employed 40 per cent of the population. Manufacturing and other industries accounted for 9.6 per cent and 3.2 per cent of GDP respectively. The table also reveals that the economy of Jordan is oriented towards the services sector, which accounted for 57.7 per cent of GDP. Employment in trade and other activities (i.e. the services sector) accounted for 57.4 per cent of the total employment in all sectors excluding agriculture.

Table 39 gives the distribution of manufacturing output among the major groups of manufacturing industry in 1968, and the average annual rates of growth of output for such groups in the period 1963-1968.

Table 39. Jordan: Distribution of manufacturing output (at factor cost) and average annual rates of growth, by major group of manufacturing, 1963-1968
(Percentage)

Major group	Share in total manufacturing output, 1968	Average annual rate of growth, 1963-1968
Food, beverages and tobacco	23.6	12.0
Textiles, ready-made clothes and leather goods	16.0	14.0
Wood, wood products and furniture	6.9	-8.3
Paper, printing and publishing	4.8	52.8
Chemicals, petroleum, coal and rubber products	20.6	43.8
Non-metallic mineral products	16.0	18.6
Basic metals	...	...
Metal products and machinery, including electrical	10.7	15.0
Other manufactures	2.4	2.0

The food industries were most important in 1968 (23.6 per cent), followed by chemicals (20.6 per cent), textiles and non-metallic mineral products (16 per cent each), machinery (10.7 per cent), wood (6.9 per cent), paper (4.8 per cent), and other manufactures (2.4 per cent).

The importance attached to the development of chemical and paper industries in the period 1963-1968 is evident from their average annual rates of growth, which were 43.8 per cent and 52.8 per cent respectively.

In the period 1963-1972, the economy of Jordan was characterized by the abundance of domestic savings, which accounted for 23.1 per cent of GDP (at factor cost) in 1968. Fixed domestic investment, however, was 17.8 per cent of GDP (at factor cost) in the same year. The ratio of saving to investment was 130 per cent, thus indicating the weak adsorptive capacity of the economy.

The foreign reserves of Jordan in the period 1967-1971 amounted to: \$24.1 million in gold, \$229.5 million in foreign currencies in addition to \$14.3 million in foreign assets of commercial banks; \$4.6 million in the International Monetary Fund (IMF) account; and \$1.6 million in special drawing rights.

The economy depends to a considerable extent on foreign trade, particularly imports. Thus in the period 1967-1972, visible and invisible imports were 46 per cent of GDP on an average annual basis, while the comparative figure for visible and invisible exports was 14.9 per cent.

In 1971, exports of agricultural products (such as fruit and vegetables) constituted 56 per cent of total exports, while the comparative figure for phosphates was 30 per cent. Jordan also exports other goods, such as cement, woollen textiles, batteries and cigarettes. Its invisible receipts accrue mainly from tourism. Its major imports are wheat and sugar. Imports of consumer goods constituted 43.8 per cent of total imports in 1971; the balance was made up of imports of capital goods and raw materials, particularly petroleum.

Imports from the Arab countries were 21.8 per cent of total imports in 1971, while the comparative figure for exports was 75.7 per cent.

Table 40 shows a continuous deficit in the country's balance of trade and a deterioration in the balance of services account in the late 1960s. In contrast, the balance of transfers account and the capital transactions in the non-monetary sector account were both in surplus, with the result that the balance of payments recorded a total surplus in 1967 and 1968 but a small deficit in 1969.

Table 40. Jordan: Main balance of payments items, 1967, 1968 and 1969 (Million dinars)

Item	1967	1968	1969
(a) Balance of trade	-42.90	-43.04	-52.71
(b) Balance of services account	+15.15	- 1.32	-10.83
(c) Transfers	+53.93	+54.48	+45.30
Balance of current transactions (a+b+c)	+26.18	+10.12	-18.24
Capital transactions in the non-monetary sector	+ 1.98	+ 4.96	+ 4.60
Surplus or deficit	+28.16	+15.08	-13.64

Source: IDCAS, Industrial Investment Directory, Jordan, October 1970, p. 15.

Although government policy had the aim of consolidating and promoting the private sector, the public sector became increasingly important in the period 1967-1972, accounting for some 41.9 per cent of total investment in that period. The investment of the public sector was confined to the following activities: extractive, agriculture (particularly irrigation), education, health, and the infrastructure (transport, communications, roads, railways, ports and aviation); these were activities in which the private sector had been hesitant to invest. Investment by the private sector was concentrated in housing and certain manufacturing industries which provide a quick return.

The national development plan (1973-1975)

Objectives

The economic and social aims of the plan were:

(a) To attain the highest possible level of employment, develop labour skills and provide 70,000 job opportunities (of which 9,000 would be in industry);

(b) To attain the highest possible rate of growth of GNP (8 per cent on the annual average) and achieve price stability;

(c) To distribute services equitably between the various regions of the country;

(d) To reduce gradually the trade deficit and to rectify the balance of payments;

(e) To achieve a long-term balanced budget through dependence on domestic finance;

(f) To raise industrial output during the plan period by 66 per cent, that is, at an annual rate of 14 per cent;

(g) To utilize idle capacity in existing mining and industrial enterprises which ranges between 25 to 35 per cent of available capacity;

(h) To exploit the country's mineral wealth;

(i) To spread industrial projects evenly between the various regions;

(j) To achieve integration among the various industries, on the one hand, and the manufacturing, mining and other economic sectors on the other; and to achieve industrial integration among the Arab States;

(k) To double industrial exports, as a minimum aim, and to expand import-substitution industries.

Effects of the plan on the structure of the economy

Figures projected for the three-year plan (1973-1975) were:

GDP, 1972 (million JD, at current prices): 217

GDP, 1975 (million JD, at 1972 prices): 273.5

GDP, 1973-1975 (million JD, at 1972 prices): 761.1

Average annual growth rate of GDP (percentage)

Simple: 8.7

Compound: 8

Per capita GDP, 1972 (JD, at current prices): 90.4

Per capita GDP, 1975 (JD, at 1972 prices): 104.3

Average annual growth rate of *per capita* GDP (percentage): 5.1

Gross fixed domestic investment, 1973-1975 (million JD): 179

Share of fixed domestic investment in GDP, 1973-1975 (percentage): 23.5

Increase in employment (percentage): 22.3

The plan was designed to increase GDP (at factor cost) by 26.1 per cent during the three-year period, that is, at a compound annual rate of 8 per cent or a simple annual rate of 8.7 per cent.

An aim of the plan was also to raise per capita GDP at an annual average rate of 5.1 per cent. It was anticipated that the per capita share of manufacturing and other industrial output would rise from 11.2 Jordanian dinars (JD) in 1972 to JD 15.7 in 1975, that is, at an average annual simple rate of 10.4 per cent.

Table 41 indicates the distribution of investment and projected structural change among various sectors in the period of the plan.

Table 41. Jordan: Distribution of investment, by economic sector, 1973-1975 (Percentage)

Sector	Investment	Share in GDP at factor cost 1972	Share in GDP at factor cost 1975	Average annual rate of growth
Agriculture	15.5	18	17.1	6.4
Manufacturing	10.9	11	13	14
Other industries	9.2	1.3	1.7	16.6
Construction	...	5.3	5.8	15.8
Transport and communications	23.7	7.8	6.8	2.9
Trade (wholesale and retail)	0.4	18.7	18.5	7.6
Other activities a/	40.3	37.9	37.1	8.0
Total	100.0	100.0	100.0	
Average				8.0

Source: Economic development plan (1973-1975)

a/ Including construction.

Top priority in investment was given to the transport and communications sector, which was expected to absorb 23.7 per cent of total investment (with transport alone receiving 20 per cent), thus indicating the importance attached to the infrastructure. Housing, which is a branch of other activities, was given second priority and was scheduled to receive nearly one half the total of investment allocated to other activities, or 19.5 per cent of gross fixed domestic investment, thus indicating the need to provide suitable housing for refugees from the occupied West Bank. Manufacturing and other industries were also to receive some 20.1 per cent of gross fixed domestic investment (mainly for manufacturing) during the plan period. Great importance was also attached in the plan to developing the agricultural sector, which was to receive 15.5 per cent of total investment. Despite efforts to bring about a change in the economic structure of the country through the plan in favour of the commodity sectors (agriculture, industry and construction), output in the various sectors was expected to remain relatively stable over the plan period since substantial structural changes could not be brought about within the comparatively short period of three years.

Under the plan the projected government investment in manufacturing was JD 5.6 million; for chemical industry, JD 3.1 million or 56.2 per cent; for basic metals, JD 2.1 million or 38.8 per cent; and for paper and paper products, JD 0.3 million or 5 per cent.

Investment was concentrated on the processing of domestically available raw materials with the aim of exporting them in the form of finished goods. The most important government project was concerned with the production of phosphoric acid at an annual rate of 110,000 tons. The capital costs of this project were estimated at JD 3 million. Private investment in manufacturing was projected at JD 14 million; the choice of projects was left to private investors.

Domestic savings were projected at JD 116.5 million, that is, 15.3 per cent of GDP or 60 per cent of total investment. This, however, is a lower figure than that which prevailed in the period 1967-1972, the reasons being the decline in government savings owing to the rise in public expenditure for purposes of defence and the cessation of foreign-aid payments to Jordan after the events of September 1970. Average annual domestic savings and the sources of such savings during the plan period compared with the pre-plan period were:

	Average annual domestic savings (million dinars)	
Source	1967-1972	1973-1975 a/
Government	9	3.5
Private	36	35.4
Total	45	38.8

Source: Three-year economic development plan (1973-1975).

a/ East Bank only.

An increase in personal savings is noted since average annual savings of JD 35.4 million in the three-year plan period were roughly equal to average annual savings in the period 1967-1972, although the savings of the plan period related to the East Bank only. The reasons for this are the decline in personal consumption projected in the plan and the encouragement given to Jordanians resident abroad to make remittances to their families in Jordan.

The distribution of investment between the governmental and private sectors in the plan period compared with the pre-plan period was:

	Distribution of investment (percentage)	
Sector	1967-1972	1973-1975
Government	41.9	55.6
Private	58.1	44.4
Total	100.0	100.0

Source: Three-year economic development plan (1973-1975).

The sharp increase in the Government's share of investment during the plan period as compared with the period 1967-1972 was concentrated mainly in manufacturing and other industries, particularly extractive industries. Private sector investments, however, were concentrated in housing - the share of the private sector in the total projected investments for housing was put at 89 per cent - and also in manufacturing and mining, particularly in industries which provide a quick return. Private sector investment was put at 78 per cent of total projected investments in these activities. Despite the rise in the Government's share of investment during the plan period compared with the preceding period, such investment was expected to decline gradually over the plan period to allow private investment to play an increasing role. This fact is borne out by table 42, which shows the decline in public sector investment and the rise in private investment.

Table 42. Jordan: Changes in investment allocations, 1973-1975

Sector	1973	1974 (million dinars)	1975	Total	Share in total (percentage)
Public	35.1	34.7	29.8	99.6	55.6
Private	22.9	25.6	30.9	79.4	44.4
Total	58.0	60.3	60.7	179.0	100.0

Source: Three-year economic development plan (1973-1975).

The plan was designed to increase employment in the East Bank by 22.3 per cent, that is, at an average annual simple rate of 7.4 per cent since employment was projected to rise from 312,000 workers in 1972 to 382,000 workers in 1975. Table 43 shows the distribution of the increase in employment among the various economic sectors.

Table 43. Jordan: Distribution of increase in employment, by economic sector, 1973-1975

Sector	Number of new workers	Share in total (percentage)
Agriculture	18 000	25.7
Manufacturing	9 000	12.8
Other industries	2 000	2.9
Construction	13 000	18.6
Transport and communications	...	...
Trade (wholesale and retail)	9 000	12.9
Other activities a/	19 000	27.1
Total	70 000	100.0

Source: Three-year economic development plan (1973-1975).

a/ Including transport and communications.

In foreign trade the objective of the 1973-1975 plan was to maintain approximately the same ratio of exports and imports in GDP in comparison with the period 1967-1972, as shown below.

	Share in GDP (percentage)	
	1973-1975	1967-1972
Imports	46.9	45.2
Exports	14.9	15.1

Source: Three-year economic development plan (1973-1975).

The plan also had as an objective increasing commodity exports at an annual rate of 16.4 per cent compared with a rate of 7.5 per cent for commodity imports. Further aims of the plan were to promote tourism and to encourage remittances from abroad; it was estimated that the deficit on current account would reach JD 18.8 million at the end of the plan period compared with JD 12.5 million in the base year 1972. However, as an inflow of capital was anticipated in favour of both the government and the private sectors, in addition to the receipt by the Government of suitable loans, the balance of payments deficit was expected to be small, or only JD 0.5 million at the end of the plan period compared with JD 3.6 million in 1972. This is shown by table 44, which deals with estimated changes in the balance of payments over the plan period.

Table 44. Jordan: Estimated changes in the balance of payments
(Million dinars)

Item	Estimates 1972	Estimates 1975
Exports of goods and services	29.2	45.8
Returns from abroad on factors of production used	14.1	17.0
Current transfers from abroad	43.0	44.0
Total current receipts from abroad	86.3	106.8
Imports of goods and services	97.0	123.0
Payments abroad for factors of production	1.7	2.5
Current transfers remitted abroad	0.1	0.1
Total current payments abroad	98.8	125.6
Current account deficit	-12.5	-18.8
Capital transfer to the government and private sectors	2.0	8.0
Net loans to the private sector	-	0.8
Government loans	13.0	18.0
Repayment of government and local authority loans	-6.1	-8.5
Surplus/deficit	-3.6	-0.5

Source: Three-year economic development plan (1973-1975).

Measures for implementing the plan

The policies of the plan and measures for its implementation were:

(a) To increase the responsibility of the public sector in fields avoided by the private sector, and gradually to increase the contribution of the private sector in development efforts;

(b) To expand the Government's current and capital resources by raising the efficiency of tax collection, revaluating buildings and agricultural land, increasing the upper limit of the public debt, levying an estate duty tax and a capital gains tax, and obtaining foreign financial assistance;

(c) To encourage the participation of the banking sector by increasing the powers of the Central Bank in making monetary policy, by granting loans to the Government and to public organizations to finance development, and by achieving economic stability both at home and abroad in co-operation with the Ministries of the Treasury and of Economic Affairs;

(d) To eliminate the growing trade deficit by expanding exports more rapidly than imports by simplifying export procedures, establishing trade centres, participating in international fairs, and rationalizing imports;

(e) To establish a free-trade zone in the port of Aqaba, wherein local and foreign businessmen may set up assembly plants to produce goods for export or domestic consumption;

(f) To consolidate Arab economic integration and in particular the Arab Common Market and the Arab Payments Union;

(g) To organize Jordanian industrial and agricultural markets;

(h) To establish a public industrial development organization to manage and guide government investment in companies and to utilize government income from such companies in establishing new industrial enterprises or in assisting existing industries in overcoming financial, administrative and technical difficulties. The private sector would be allowed to take up to 25 per cent of the share capital of the said organization;

(i) To provide the incentives necessary to increase investment in the industrial sector by exempting new enterprises from income and other taxes for a number of years, by exempting the plant and machinery required by such enterprises from customs duties, by providing guarantees against uncommercial risks, by encouraging foreign capital to participate in new industries, by simplifying procedures for customs exemption of imported raw materials which are not available domestically, and by granting concessions to investors in the exploration for mineral deposits;

(j) To review the system of granting licences for the establishment of new industrial enterprises with the aim of withholding licences from enterprises in which the value of plant and machinery exceeded JD 20,000, unless evidence of their economic suitability was provided. Enterprises with plant and machinery valued at less than JD 10,000 would be exempt from this provision. The establishment of handicraft industries would be allowed without any restrictions, and a special fund - to be affiliated to the Industrial Development Bank - would be set up to grant loans to craftsmen and small industries;

(k) To follow up international specifications, particularly of purchases by government agencies of domestic industrial goods. Industrial companies whose capital exceeded JD 10,000 would be required to apply industrial accounting techniques.

VI. KUWAIT

Characteristics of the national economy

Kuwait has an area of 1.6 million ha, most of it desert. Agricultural land amounts to only 8.4 per cent of the total area, but only 500 ha are planted with seasonal crops and the rest (134,000 ha) are grazing fields and pastures.

The population of Kuwait, according to the census of April 1970, was 733,196, or 0.6 per cent of the estimated total population of the Arab States. In 1965, 22.1 per cent of the population lived in urban areas, while 77.9 per cent lived in the rural countryside. Furthermore, 62 per cent of the population were over 15 years old. The illiteracy rate was 47.9 per cent. Employment in 1971 reached 239,000, or 31.2 per cent of the population. The population density was 101.6 per square mile.

Population statistics in Kuwait point to high growth rates. Since 1957 the population has multiplied by two-and-a-half times; and between 1965 and 1970 it increased by almost 57 per cent. The number of inhabitants of non-Kuwaiti origin have at times exceeded the number of nationals. In 1970, for example, the non-Kuwaiti inhabitants numbered 53 per cent of the total population; in 1961 the figure was 50 per cent and in 1957 it was 45 per cent.

The GDP, in terms of current prices, amounted to 983 million Kuwaiti dinars (KD) in 1969/70. It increased between 1966/67 and 1969/70 at the rate of 8 per cent annually, although it dropped below average in 1969/70 to 3.8 per cent.

Petroleum is the main source of income in Kuwait. In 1972, the production of petroleum amounted to 167,150 tons, or 6.4 per cent of the world production and 20.6 per cent of the total output of the Arab States. In the same year, the country's oil reserves amounted to 1,041 million tons, which was equivalent to 10.9 per cent of world reserves and 19.5 per cent of the total reserves of all Arab States. In 1971, Kuwait produced 570,374 million m^3 of natural gas; it possesses 2.4 per cent of world and 7.9 per cent of Arab natural gas reserves.

Table 45 shows the oil output of Kuwait and its rate of increase between 1961 and 1970.

Table 45. Kuwait: Output of crude oil, 1961-1970

Year	Output (million US barrels)	Annual growth rate (percentage)
1961	663.3	2.2
1962	714.6	12.8
1963	765.2	7.0
1964	842.1	10.1
1965	861.4	2.3
1966	906.6	5.2
1967	912.4	0.6
1968	965.6	4.8
1969	1 011.7	5.7
1970	1 090.6	7.8

Source: Statistics of the Ministry of Finance and Petroleum.

Since part of the revenue from petroleum is transferred abroad in the form of profits for the foreign companies undertaking production, GNP has differed noticeably from GDP. In 1968, for example, GDP at market prices was KD 951 million while GNP at market prices amounted to KD 793 million; the ratio of GNP to GDP in that year was thus 83.3 per cent.

The share of petroleum and natural gas in GDP is decreasing, but the sector continues to be the predominant influence in the growth of GDP. For example, when petroleum production was reduced by 7.1 per cent in 1967/68, the growth rate of GDP reached its lowest level (2 per cent). Conversely, in 1968/69, an 11.8 per cent increase in petroleum revenue resulted in a 9.1 per cent increase in GDP.

Table 46 indicates the distribution of GDP, by economic sector, in 1965/66 and 1969/70.

Table 46. Kuwait: Distribution of GDP, by economic sector, 1965/66 and 1969/70

Sector	GDP, 1965/66		GDP, 1969/70	
	Value (million dinars)	Share in total (percentage)	Value (million dinars)	Share in total (percentage)
Agriculture, forests, fishing	3	0.4	5	0.5
Crude oil, gases, mines, quarries	471	63.1	557	56.6
Industry	24	3.2	36	3.7
Construction	30	4.0	39	4.0
Electricity, water and health services	16	2.1	36	3.7
Transport, communications, storage	21	2.8	36	3.6
Wholesale and retail trade	59	7.9	85	8.6
Banking, insurance and other financial services	10	1.3	18	1.8
Housing	32	4.3	44	4.5
Public administration and defence	41	5.5	55	5.6
Services	39	5.2	73	7.4
GDP at factor cost	746	100.0	983	100.0
Indirect taxes - aids	3		4	
GDP at market prices	749		987	

Source: Kuwait, Council of Planning, Second Annual Report of the Kuwait Central Bank, 1971, p. 21.

It may be noted from table 46 that the petroleum and natural gas sector had the largest share in GDP while the agricultural sector had the least.

The share of trade varied between 7.9 per cent and 8.6 per cent. This percentage is high compared with the other sectors, excluding petroleum. It indicates the importance of trade in the national economy as a result of the large volume of imports from abroad and the high *per capita* consumption.

Statistics published by the Council of Planning indicate that consumer expenditure (both public and private) reached 54 per cent of GDP (at market prices) between 1965/66 and 1969/70. Public and private consumption in that last year amounted to KD 466 million. Consumption in the private sector from

1965/66 to 1969/70 reached 36 per cent of GDP; in the public sector it amounted to 18 per cent in the same period. The influential factor in public consumption is the oil revenue. Although oil revenue has steadily increased, it is evident that public consumption expenditure has dropped in recent years. This may be the result of the commitments of Kuwait to some Arab States following the 1967 war.

The manufacturing industry has a relatively low share in GDP. Table 47 shows the total output of manufacturing industry and value added (excluding petroleum refining and by-products) distributed among the major groups of manufacturing in 1969.1/

Table 47. Kuwait: Distribution of manufacturing output a/ and value added, by major group of manufacturing, 1969

Major group	Manufacturing output: Value (thousand dinars)	Manufacturing output: Share in total (percentage)	Value added: Value (thousand dinars)	Value added: Share in total (percentage)
Food	13 995	35.3	6 787	31.8
Beverages(non-alcoholic)	3 098	7.8	1 875	8.8
Spinning and weaving	12	0.03	7	-
Shoes and ready-made clothes	140	0.4	54	0.2
Particle board	97	0.2	65	0.3
Furniture	6 018	15.2	3 268	15.3
Paper industry	373	0.9	146	0.7
Printing and related industries	1 461	3.7	872	4.1
Chemicals and by-products	4 455	11.2	2 822	12.3
Non-mineral products	6 669	16.8	3 783	17.7
Mineral products	2 702	6.8	1 592	7.5
Electrical appliances	206	0.9	161	0.8
Transport	255	0.6	90	0.4
Other manufactures	1	-	1	-
Total	39 482	100.0	21 523	100.0

Source: Kuwait Council of Planning. Second Annual Report of the Kuwait Central Bank, 1971.

a/ Excluding petroleum and its by-products.

According to the 1969 statistics, there were 850 establishments engaged in manufacturing with a paid-up capital of KD 29.8 million and production equipment valued at KD 19.3 million.

1/ The available data about the distribution of GDP and value added in the manufacturing industry among the major groups of manufacturing do not include petroleum-refining and by-products; industrial statistics do not include the latter activity because of the administrative distribution of industrial activities.

Table 47 indicates that the output of manufacturing in 1969 reached KD 39.5 million, and value added amounted to KD 21.5 million. Some 1,360 workers were engaged in manufacturing, receiving a total wage of KD 7.8 million.

The food industry had the largest share of output and value added. This major group of manufacturing industry also had the largest number of production units, that is, 49.6 per cent of the total number of production units engaged in the manufacturing industry.

Investment in the national economy increased at a high rate (19.4 per cent annually) between 1965/66 and 1967/68. Table 48 shows the value of gross fixed investment and its share in GNP for 1965/66 and 1969/70.

Table 48. Kuwait: Gross fixed investment and its share in GNP, by sector, 1965/66 and 1969/70

	Gross fixed investment 1965/66		Gross fixed investment 1969/70	
Sector	Value (million dinars)	Share in GNP (percentage)	Value (million dinars)	Share in GNP (percentage)
Private	60	10.1	89	10.6
Public	43	7.3	62	7.4
Total	103		151	
Average		17.3		18.0

Source: Kuwait Council of Planning, Second Annual Report of the Kuwait Central Bank, 1971, p. 23.

The total fixed investment in the five years 1965/66 - 1969/70 amounted to KD 712 million, of which the private sector undertook KD 429 million and the public sector KD 283 million. Table 48 shows a steady increase in gross fixed investment, but its share in GDP did not exceed 0.6 per cent in that period.

Many factors influence the capital structure. In the private sector, the profit rate seems to be the sole factor determining private investment together with the restrictions imposed by the national economy on its capacity to absorb new investment. The investment of the public sector, on the other hand, depends on the government plan for economic development and the requirements of the national economy in terms of capital goods and construction projects.

Savings in Kuwait are high owing to the high per capita income in addition to rising government savings. In 1968, for example, savings amounted to KD 352 million, or about 37 per cent of GDP and about 290 per cent of the fixed gross investment in that year.

The foreign trade of Kuwait figures prominently since the country's main revenue comes from exporting petroleum, and the economy is dependent on imports.

Table 49 gives the structure of foreign trade in 1962/63 and 1969/70.

Table 49. Kuwait: Structure of foreign trade, 1962/63 and 1969/70

Item	1962/63	1969/70
	Million dinars	
Gross imports (A)	101.9	233.8
Gross exports (B)	422.1	621.5
Non-petroleum exports	8.1	24.5
Petroleum exports	414.0	597.0
GDP (C)	460	840
Balance of trade	+320.2	+387.0
	Percentage	
Ratio of foreign trade (A+B/A+C)	93	80
Ratio of imports/GDP	22	28
Ratio of petroleum exports/gross exports	98	96
	Dinars	
Per capita imports	262.6	319.0
	Percentage	
Incremental change of per capita imports	-	4.7

Source: Kuwait, Council of Planning, Second Annual Report of the Kuwait Central Bank, 1971, p. 46, table 31.

The table indicates that the foreign trade ratio dropped from 93 per cent in the beginning of the 1960s to 80 per cent in 1969/70. This high ratio reflects the basis of foreign trade and points to the need for diversification in the national economy.

Kuwait has one of the highest per capita import rates, which amounted to $968 in 1967, $852.9 in 1968 and $893.2 in 1969. The figures in the same years for Saudi Arabia were $82.05, $101.1 and $104.24, and for Iraq they were $48.55, $44.72 and $47.1. These rates demonstrate not only that the economy of Kuwait depends mainly on imports but also that Kuwait imports high quality commodities.

Table 50 gives import data for 1965/66 and 1970/71.

Table 50. Kuwait: Imports, 1965/66 and 1969/70

	1965/66		1969/70	
Imports	Value (million dinars)	Share in total (percentage)	Value (million dinars)	Share in total (percentage)
Food and live animals	27.8	19	33.8	14
Beverages and tobacco	6.9	5	6.1	3
Raw materials (other than fuel)	3.2	2	4.1	2
Petroleum mining and related material	1.1	1	2.2	1
Vegetable and animal oils and fats	0.3	-	0.8	-
Chemicals	5.3	4	11	5
Finished products	33.3	23	48.1	21
Transport machines and equipment	46.8	32	91.6	39
Diverse manufactured goods	19.5	14	36.7	15
Semi-processed goods	-	-	0.4	-
Total	144.2	100	234.8	100

Source: Kuwait, Council of Planning, Second Annual Report of the Kuwait Central Bank, 1971, pp. 99 - 105.

The trade balance of Kuwait showed a continuous surplus during the 1960s owing to the revenue from oil exports.

With regard to the current invisible transactions, they are confined to tourism, the expenses incurred by diplomatic and educational missions, and insurance and medical care. In these transactions, the debit side usually outweighs the credit side.

The first five-year socio-economic development plan (1967/68-1971/72) 2/

Objectives

The objectives of the plan were:

(a) To increase GDP by 37 per cent during the plan period at an annual rate of 7.4 per cent, or an increase from KD 801 million in the base year 1966/67 to KD 1,098 million in the final year of the plan. This is one of the highest rates among the developing countries. However, in formulating the plan, there was caution not to be over-optimistic - because of the State's increasing revenues from oil exports;

(b) To diversify sources of national income, that is, to reduce the share of petroleum and increase the share of the other sectors. This was a desirable tendency since it would have been dangerous to rely on one sector only. A successful diversification of the national economy would occur through expanding the transport sector, be it land, sea or air transport. According to the plan, attention should be given to large- and medium-sized ships, especially petroleum tankers, and to international highways linking Kuwait with Saudi Arabia in the south and the Mediterranean Sea in the west. In order to ensure diversification, an aim of the plan was to develop the petrochemical industry and to introduce other types of industry which studies and research had proven to be economically profitable. In addition, attention would be given to the agricultural sector after completion of the project for securing irrigation water from Iraq or from subterranean sources. The plan also envisaged the expansion of the fishing and animal-breeding industries;

(c) To develop human resources and to create a specialized and skilled human capacity by expanding technical and vocational training and by raising its standard in order to meet the requirements of socio-economic development; to give attention to public health and medical services and to raise medical care to acceptable standards. The plan also provided for compulsory education at the primary and medium levels and for diversified specialization at the university level;

2/ This plan, although not approved by the National Assembly of Kuwait and so without a legal form, still gives an idea of the trends and objectives of socio-economic development.

(d) To complete the infrastructural projects, for without an infrastructure it would be extremely difficult to achieve rapid socio-economic development, realize foreign reserves or reduce production costs. These projects included all means of communication, energy, water, housing and medical care;

(e) To achieve a social balance by an equitable distribution of the national-income. Through the plan it was hoped to narrow the gap between the high-income and low-income brackets without affecting the economic productivity of the society or weakening economic incentives. Such incentives are necessary for the development, progress and efficiency of the national economy;

(f) To achieve a geographical balance in development so that all members of the society would benefit from the public services and job opportunities;

(g) To strengthen economic relations with other Arab States and to attempt to achieve effective economic co-ordination among these States.

Effects of the plan on the structure of the economy

Distribution of GDP and investment among various sectors

Table 51 indicates the effects of the plan on the structure of the national economy. It gives the distribution of GDP, by economic sector, in the base, third and final years of the plan. The table allows a comparison of the 1969/70 figures actually realized in the first three years with the final objectives, or the figures for the final year. GDP, for example, grew in the first three years at a somewhat higher average annual rate than that stipulated by the plan. If the sectors are taken separately, agriculture, manufacturing industry, other industries and construction developed in the first three years at lower average annual rates than those specified by the plan. On the other hand, transport and communications, wholesale and retail trade, and other activities developed at higher average annual rates than specified in the plan.

Table 51. Kuwait: Distribution of GDP, by economic sector, 1966/67, 1969/70 and 1971/72

Sector	GDP, 1966/67 (base year)		GDP, 1969/70 (third year of the plan)			Planned GDP, 1971/72 (final year of the plan)		
	Value (million dinars)	Share in total (percentage)	Value (million dinars)	Share in total (percentage)	Average annual growth rate (percentage)	Value (million dinars)	Share in total (percentage)	Average annual growth rate (percentage)
Agriculture	4	0.5	5	0.5	8.3	7	0.7	15
Manufacturing industry	29	3.6	36	3.7	8	45	4.1	11
Other industries	507	63.3	593	60.3	5.7	684	62.3	7
Construction	38	4.7	39	4.0	0.9	53	4.8	7.9
Transport and communications	22	8	36	3.6	21.2	32	2.9	9.1
Wholesale and retail trade	64	8	85	8.6	10.9	90	8.2	8.1
Other activities	137	17	190	19.3	12.9	187	17.0	7.3
Total	801	100.0	983	100.0		1 098	100.0	
Average					7.6			7.4

Source: Council of Planning Statistics and plan analysis tables.

The gross target investment under the plan amounted to KD 837 million, or 17.1 per cent of the target GDP. Actual investment in the first three years of the plan reached KD 474 million. The plan envisaged that the public, private and joint sectors would participate in the implementation of this investment. According to the plan, investment to be undertaken by each sector was distributed as follows: public sector 60.6 per cent, private sector 32.2 per cent, and the joint sector 7.2 per cent. The aim of the plan was that the public sector undertake the major part of this investment. In the first three years of the plan, the public sector invested KD 284 million, while the private sector invested KD 190 million.

Investment was to be financed through national savings. Domestic savings during the plan period were estimated at KD 1,360 million, of which KD 537 million came from the government sector and KD 375 million from the private sector. The ratio of gross domestic savings to the domestic fixed investment was 149.1 per cent.

Table 52 gives the share of each sector in the gross domestic fixed investment as stated in the plan.

Table 52. Kuwait: Share of the economic sectors in gross domestic fixed investment, 1967/68-1971/72

Sector	Value (million dinars)	Share in total (percentage)
Agriculture	12.0	1.4
Manufacturing industry	86.0	10.3
Other industries a/	206.8	24.7
Construction	177.0	21.1
Transport and communications	152.2	18.2
Wholesale and retail trade	22.0	2.6
Other activities	181.0	21.6
Total	837.0	100.0

Source: Plan analysis tables.

a/ Including petroleum and natural gas with an investment of KD 70 million or 7.7 per cent of the total investment.

According to the plan, the distribution of national investment to the various economic sectors conformed to the requirements of each sector, based on productivity measures, on the one hand, and on the contribution of each sector to GDP on the other.

As the State intended to diversify the sources of its national production, it allocated only KD 70 million to the petroleum and natural gas sector, or 7.7 per cent of total investment. The State allocated KD 86 million to manufacturing industry, or 10.3 per cent of total investment, with KD 21 million to be undertaken by the public sector, KD 39 million by the joint sector, and KD 26 million by the private sector. In other words, the investment relegated to the private sector exceeded that of the public sector.

Transport and communications received a large share of the investment in order to achieve the planned objectives in developing this sector. Housing also received a large share, amounting to 18.4 per cent, to take care of the huge urban expansion accompanying industrial development.

For the othe infrastructural industries, the plan allocated KD 64.8 million to electricity, KD 72 million to water utilities, and 6.7 per cent of total investment to educational services, training and research.

Table 53 gives the capital/output ratio in the various economic sectors according to the estimates of the plan.

Table 53. Kuwait: Capital/output ratio for the economic sectors, 1967/68-1971/72

Sector	Planned increase in GDP (A) (million dinars)	Planned gross fixed investment (B) (million dinars)	Capital/output ratio (B/A)
Agriculture	3	12	4
Manufacturing industry	16	86	5.4
Other industries	177	206.8	1.2
Construction	15	177	11.9
Transport and communications	10	152.2	15.2
Wholesale and retail trade	26	22	0.9
Other activities	50	181	3.6
Total	297	837.0	
Average			2.8

It may be noted that it was estimated in the plan that the capital/output ratio would be 2.8, that is, that KD 837 million would realize an increase in GDP amounting to KD 297 million. This rate approaches counterpart rates in the developing countries. It was expected in Kuwait that this ratio would be high in the construction, transport and communications sectors since they require a huge capital outlay over a long period to initiate development and to affect economic activity substantially.

It is noteworthy that the plan envisaged a capital/output ratio in manufacturing industry and agriculture approaching the one for developing countries that have recently begun economic development. The other industries sector, of which petroleum and electricity make up a major part, has a high productivity owing to the adoption of the most modern production methods and technology. Wholesale and retail trade is one of the service sectors in which the ratio of the capital utilized to other factors of production is low. Consequently, it was expected that its capital/output ratio would also be low.

Employment

According to the census of April 1965, 40,166 of a total of 179,284 employees were nationals, or about 23 per cent of the working force. The percentage of Kuwaiti workers to Kuwaiti inhabitants (220,059) was 18.2 per cent. The number of non-Kuwaiti employees was 119,118, or about 77 per cent of the labour force. The percentage of non-Kuwaiti workers to non-Kuwaiti inhabitants was 56 per cent; this high percentage resulted from the fact that 70 per cent of the non-Kuwaiti inhabitants were males.

As may be assumed from the composition of the labour force, most of the technical work requiring vocational and handicraft skills has been carried out by non-Kuwaitis. Many Kuwaitis, however, work in government administration, or are businessmen in private commercial establishments at home and abroad.

The broad lines of the population policy were summarized in the plan as follows:

(a) To determine the suitable population size that could provide the required labour force on the basis of the absorptive capacity of the national economy;

(b) To adopt a principle of selection in determining the size of the non-Kuwaiti labour force. The selection would take into consideration national security and the social, cultural and religious precepts of the State;

(c) To better distribute employment, which has been to a large extent high in some posts, especially government posts, and to direct it towards more productive posts in other spheres;

(d) To create the necessary incentives to persuade the excess labour force to transfer to other jobs;

(e) To encourage Kuwaiti women to take up suitable jobs by giving them priority in these jobs.

The productivity of the Kuwaiti worker was estimated for the base year of the plan at KD 4,306. This was determined by dividing GDP in the base year (KD 801 million) by the total number of workers (186,000). One of the main objectives of the plan was to raise productivity by 1.5 per cent annually. This percentage was determined on the basis of the efficiency standard existing at the time of drawing up the plan; it presupposed the completion of the technical and vocational training provided for in the plan, as well as a reduction in unemployment, especially in the public sector. It was expected that the average productivity would reach KD 4,639 in the final year of the plan and that the labour force would number 237,000. Since the number of workers in the base year was 186,000, the plan would require a further 51,000 workers in the course of its implementation. This additional number of workers could be met from:

(a) The natural population growth among Kuwaitis;

(b) Importing the required labour force from among non-Kuwaitis.

An objective of the plan was to increase the percentage of Kuwaiti workers from 18 to 23 per cent by finding work for the unemployed and increasing women's employment so that the Kuwaiti labour force would grow by 21,000 workers. Since the plan provided for 51,000 job opportunities, the remaining vacancies (30,000 posts) could be filled by non-Kuwaitis.

Measures for implementing the plan

Government agencies concerned with economic planning

The Council of Planning. This Council was formed in August 1962 to co-ordinate the work of government ministries and departments and their work with the private sector during the implementation or follow-up of the plan.

The Council was to draw up the detailed development plan and to propose socio-economic policies. It was also to advise the Government on economic matters and to submit proposals related to socio-economic issues to the legislative and executive authorities.

The Department of Industrial Affairs. This is one of the departments of the Ministry of Trade and Industry. It was formed to prepare industrial studies and statistics and to undertake the general supervision of industrial affairs. The Department makes economic studies of projects and administers government incentives to develop and organize the industrial sector.

The Industrial Development Committee. The Committee is headed by the Minister of Trade and Industry; its membership is comprised of representatives of the government departments concerned and three members from the private sector. The function of this Committee is to study the necessary proposals for industrial development, to consider applications for permits and licences and to make final recommendations in addition to proposals concerning specifications and measurements to be referred to the General Committee for Specifications and Measurements.

Central bank. A stipulation was made in the plan for the creation of a central bank to co-ordinate the banking and planning systems. The bank was expected to formulate monetary policy in order that the banking system should be effective in realizing the objectives of the investment envisaged in the plan. The necessity was recognized for financial institutions in the national economy to absorb and direct savings towards investment opportunities.

Industrial sector development programme (1971/72-1975/76)[3]

As private investment in industry had not achieved the desired results, and as industry had the most potential to develop and contribute towards the urban development of the State, an industrial sector development programme was drawn up to cover the period 1971/72-1975/76.

The aim of the programme is to achieve investment estimated at KD 150 million which would be provided by the Government in collaboration with the private sector and international foreign companies.

The programme depends on establishing industries to meet local market requirements. Many vital industries, it was discovered, could be started to meet local needs with the possibility of exporting surplus products to the Arab States. This investment could be provided by the private sector if suitable incentives were given to it.

Table 54 lists the proposed projects and their estimated investment.

3/ Report of the Industrial Development Centre on Trends and Attitudes of Industrial Development in Kuwait, Industrial Development Conference, Kuwait, 1971.

Table 54. Kuwait: Estimated investment for domestic consumer projects, 1971/72-1975/76

Industry	Estimated investment (thousand dinars)	Estimated annual production volume
Liquid-cell batteries (6- and 12-volt)	250	60 000 units
Dry-cell batteries (3 sizes)	350	15 million units
Chemical detergents	450	2 000 tons
Leather tanning and wool pressing	200	600 000 hides 200 tons wool
Dry dock (repair and maintenance of fishing vessels)	1 600	
Steel rolling	5 000	100 000 tons
Tires	3 500	200 000 units
Air-conditioning units	1 600	30 000 units
Vegetable oils and fats	1 000	6 000 tons
Pig-iron pipes and joints	1 000	3 000 tons
Medicines	1 250	
Wood-cutting and processing	1 000	872 800 m^3
Textiles	8 000	20 million m
Small industries	3 000	
Total	29 000	

Source: Statistics of the Ministry of Trade and Industry.

Owing to the small size of the local market in Kuwait, the industrial sector development programme envisaged that export industries, with large outputs, were best able to contribute effectively towards achieving the objectives of development. In order to set up these industries, it would be necessary for these projects to depend on utilizing the best raw materials and on the necessary technical and administrative skills. For this reason, the recruitment of foreign personnel experienced in this sphere was advocated. It was not expected that the private sector would participate in these projects because of the risks involved. Hence, it was stipulated in the programme that the Government should undertake to implement these projects by setting up joint ventures under its supervision.

The investment required for export industries was estimated at KD 120 million. This figure was reached after a detailed study of the projects listed in table 55.

Table 55. Kuwait: Estimated investment for export projects, 1971/72-1975/76

Industry	Estimated investment (million dinars)	Estimated production volume (tons)
Basic lubrication oils	3	30 000 (annually)
Liquid gas	15	600 000 (annually)
Aluminium	25	120 000 (annually)
Basic and medium petroochemicals	72	
Chemical products (nitrogen fertilizers)	5	1 400 (daily)
Total	120	

Source: Statistics of the Ministry of Trade and Industry.

VII. LEBANON

Characteristics of the national economy

The population of Lebanon was 2.7 million in 1970, or about 2 per cent of the estimated total population of the Arab States. Over the decade 1960-1970 the population increased at an annual average rate of 2.5 per cent; it was expected to reach about 3 million by the mid-1970s. In 1970, the labour force of those over 15 years of age made up about 57 per cent of the total population. The shares of urban and rural population in the total population were 60 and 40 per cent respectively in 1970. Twenty per cent of total population were employed.

Lebanon has a total area of just over 1 million ha. About 326,000 ha (36.6 per cent) are agricultural fields, 240,000 ha (73.6 per cent) are planted with seasonal crops, and 176,000 ha (23.1 per cent) come under perennial farming. Pastures or grazing fields amount to 10,000 ha or 3.1 per cent, with woods and forests covering only 9.5 per cent of the total land area.

The differences in climatic zones result in wide diversification in agricultural crops and fruits. The chief manufacturable crops produced in 1968 were: sugar beets (110,000 tons), grapes (84,000 tons), tomatoes (60,000 tons), olives (32,000 tons), barley (11,000 tons), maize (4,000 tons), sunflower seeds (2,000 tons), and sugar-cane and sesame seeds (1,000 tons each).

Lebanon is poor in mineral wealth. It has no significant extractive industries except salt, of which 30,000 tons were produced in 1968. However, Lebanon is distinguished by its geographical location, which is highly suitable for regional trade, and by its diverse financial and commercial experience and establishments. The country's moderate climate is an added advantage to tourism.

The wealth in livestock, relative to that of all Arab States, is as follows: cows and buffaloes, 0.4 per cent; sheep and goats, 0.5 per cent; riding animals, 0.6 per cent; and poultry, 13.1 per cent.

The available electrical energy, in 1968, was estimated at 4,220 kW; about 1,035 million kWh were produced of which 176,000 were from the thermal stations and the rest from hydroelectric stations.

The GNP, at market prices in 1970, reached $1,610 million, or 4.4 per cent of the GNP of the Arab States. The annual growth rate of GNP in 1960-1970 averaged 3 per cent. The <u>per capita</u> GNP, in 1970, amounted to $590, compared with $290 for the Syrian Arab Republic, $250 for Jordan, and $440 for Saudi Arabia. As there was a net inflow of transfers, GNP exceeded GDP by 4 per cent in 1968.

Table 56 shows the large share of the services sectors in GDP in 1968 in relation to the other sectors. Trade, for example, contributed 31.8 per cent to GDP, and accounted for 17 per cent of employment. Transport and communications contributed 9 per cent to GDP and engaged about 7 per cent of the workers, while the agricultural sector contributed 10 per cent to GDP but engaged about 19 per cent of the workers.

Table 56. Lebanon: Distribution of GDP and employment, by economic sector, 1968
(Percentage)

Sector	Share in GDP at factor cost	Share in employment
Agriculture	10.2	18.9
Manufacturing industry	12.9	17.8
Other industries	2.3	1.0
Construction	4.5	6.5
Transport and communications	8.9	7.1
Wholesale and retail trade	31.8	17.0
Other activities	29.4	31.7
Total	100.0	100.0

Source: Background data tables.

Table 57 gives the share of major groups of manufacturing in employment and annual wages, according to the 1964 statistics. Spinning, weaving and ready-made clothes ranked at the top, followed by the food, beverages and tobacco industries and non-metallic mineral products (glass and building materials).

Table 57. Lebanon: Distribution of employment and wages, by major group of manufacturing, 1964
(Percentage)

Major group	Workers	Annual wages
Food, beverages and tobacco	22.9	27.0
Textiles, ready-made clothes, leather goods	30.9	26.1
Wood products and furniture	3.6	3.0
Paper, printing and publishing	13.7	11.6
Chemicals, petroleum, coal and rubber products	10.5	8.9
Non-metallic mineral products	16.2	13.7
Basic metals	2.4	2.0
Tools, machines and electrical appliances	7.8	6.8
Other industries	1.2	1.0
Total	109.2	100.0

Source: Arab League Industrial Development Centre, Guide to Industrial Investment in the Republic of Lebanon.

If the increase in the number of registered establishments in each major group of manufacturing is taken as an approximate measure for the development in these groups, textiles, shoes and ready-made clothes, followed by printing and publishing, had the highest rate of development in recent years.

The economy of Lebanon is characterized by weak domestic savings, which in 1968 reached only 4.1 per cent of GNP in terms of production costs.

The country's foreign reserves in the period 1967-1971 reached an annual average of $281.1 million in gold and $95.1 million in foreign currencies, in addition to $577 million in foreign deposits in commercial banks and $2.3 million in the International Monetary Fund (IMF).

The economy depends mainly on foreign trade. In 1968, exports amounted to 23 per cent of GDP while imports made up about 45.6 per cent.

Table 58 shows the exports and imports in 1968. Services ranked highest among exports and consumer goods were leading imports.

Table 58. Lebanon: Exports and imports, 1968
(Percentage)

Exports	Share in total	Imports	Share in total
Agricultural goods	16.8	Consumer goods	52.1
Industrial goods	26.9	Intermediate goods	37.7
Services	56.3	Capital goods	10.2
Total	100.0		100.0

Source: Background data tables.

The chief exports are: fruits, vegetables, dairy products, cereals and ready-made clothes. The country also exports investment goods, especially transport equipment, but these are mostly re-exported commodities.

Important among the intermediate goods exported by Lebanon are those utilized in building and industry, followed by some intermediate agricultural goods. Most of the raw materials (excluding tobacco) are re-exported goods.

The chief imports are: food, oils, fats, livestock, machines and tools.

Transit trade plays a prominent part in the economy. In 1968, transit trade amounted to 15,333 million Lebanese pounds (LL), or 35 per cent of GDP. The most important transit goods are: metal commodities, machines, electrical appliances, textiles, transport equipment, and chemical and botanical products. Most of the transit exports (with the exception of petroleum) are directed to the Arab States. Re-exported products amounted to 20 per cent of the total exports in 1968. (For geographical distribution of exports and imports, see table 59).

Table 59. Lebanon: Geographical distribution of exports and imports, 1964
(Percentage)

Region	Exports to	Imports from
Arab States	63.8	12.9
EEC	6.7	28.6
European Free Trade Association (EFTA)	6.4	24.5
Other European countries	4.0	-
CMEA	5.5	10.6
Other countries	13.6	23.4 a/
Total	100.0	100.0

Source: The six-year plan for economic development, 1972-1977, p. 171.

a/ Also including other European countries. The share of the United States was 9 per cent.

The country's balance of payments, in 1967, showed a large deficit of LL 896 million. This was covered in part by LL 709 million from the services sector, mostly from the tourist industry. The remaining deficit was met largely by the profit from incoming capital. Normally, Lebanon enjoys a surplus in its balance of payments; in 1966, for example, it amounted to LL 66 million.

Lebanon has a free economy system with continuous interaction and co-operation between the public and private sectors. In 1965, the Lebanese cabinet approved the first five-year plan (1965-1969) calling for a total investment of LL 1,080 million. The Government's share did not exceed 20 per cent, and the private sector undertook the rest.

The Ministry of Public Planning draws up the development plans, which are binding for the public sector and serve as guidelines for the private sector.

The six-year plan for economic development (1972-1977)

Objectives

The chief objectives of the plan may be summed up as follows:

(a) To maintain a high development rate for GDP of 7 per cent annually. If this rate is attained, per capita GDP will increase at a rate of 4.7 per cent annually;

(b) To create a better balance among the economic sectors by speeding up the development of agriculture and industry;

(c) To increase job opportunities for new entrants into the labour force;

(d) To reduce the deficit in the trade balance by increasing exports at an annual average rate of 15 per cent, which would be attained by increasing the export of agricultural products at an annual rate of 5 to 6 per cent, of industrial products at a rate of 11 to 13 per cent, and of services and transport at a rate of 4 to 5 per cent, and by reinforcing trade transit and re-exportation as well as endeavouring to make Lebanon a centre for the redistribution of foreign goods. Imports are expected to increase at an annual average rate of 8.2 per cent;

(e) To achieve a better proportion between the income of the individual and that of the area;

(f) To encourage individual activity in the sphere of industry while avoiding the shortcomings of free economy through suitable organization;

(g) To guarantee primary education for all children, to expand the other levels of education, and to develop the educational system and school curricula to suit the socio-economic requirements.

The effects of the plan on the structure of the economy

Table 60 indicates the quantitative objectives of the plan, which are to achieve a growth rate in GDP of 7 per cent and in *per capita* GDP of 4.7 per cent, and to increase the share of investment in GDP by an annual average rate of 18 per cent.

Table 60. Lebanon: Objectives of the six-year plan, 1972-1977

GDP in base year (1969) at factor cost (million LL):	4 564.6
Planned GDP, 1977 (million LL):	7 842.6
Total planned GDP, 1972-1977 (million LL):	3 999.9
Planned average annual growth rate of GDP (percentage):	7
Per capita GDP, 1969 (LL):	1 717
Planned *per capita* GDP, 1977 (LL):	2 420
Planned average annual growth rate of *per capita* GDP, 1977 (percentage):	4.7
Total planned investment, 1972-1977 (million LL):	7 200
Share of investment in GDP, 1972-1977 (percentage):	18

Source: Six-year economic development plan (1972-1977).

It is difficult to gauge the effects of the plan on the economic infrastructure because no mention is made of the shares of the economic sectors in GDP in the last year of the plan; thus, it is not possible to compare these percentages with those of the base year. Moreover, the development rates of the various sectors were not given separately but were combined. Table 61 gives an idea, however, of some of the changes envisaged in the country's national economy, according to the development plan.

The total investment is expected to reach LL 7,200 million, or 18 per cent of GDP, with the government sector undertaking LL 1,740 million (24 per cent) and the private sector undertaking LL 5,460 million (76 per cent).

Table 61. Lebanon: Distribution of government investment, by economic sector, 1972-1977
(Percentage)

Sector	Investment	Share in GDP at production cost 1969	Planned average annual growth rate
Agriculture	18.3	9.5	1-5
Manufacturing industry	3.2	13.3	9-10
Other industries	13.0	2.3	...
Construction	...	4.7	6
Transportation and communications	25.8	8.4	...
Trade	...	31.5	6-7
Other activities	39.7	30.3	...
Total	100.0	100.0	
Average			7

Source: Plan analysis tables.

Government investment is concentrated in the sectors that make up the basic socio-economic structure, namely, irrigation and dams in agriculture, electricity and energy in industry, and transport, communications, health and culture included in "other activities". The small size of government investment in manufacturing may be explained by the fact that this sector is financed almost entirely by private investment. At the same time, a high growth rate in manufacturing is expected from the plan since manufacturing depends on the activity of the private sector.

Measures for implementing the plan

Measures are planned or have been taken:

(a) To provide incentives for developing the agricultural and industrial sectors;

(b) To raise productivity while reducing production costs through vocational training, modern administrative methods and encouraging scientific research;

(c) To encourage and develop exports through a study of foreign markets;

(d) To strengthen the basic structures necessary to develop services sold abroad, especially transport and communications and related services;

(e) To curb spiralling prices;

(f) To adopt strict programming of government investment and to reform administration;

(g) To complete the basic infrastructure and to encourage production activities in less developed areas;

(h) To set up an industrial development bank through contributions by the State and the banking system, whose functions would be to provide long- and short-term loans, to contribute to the capital of new industrial companies, and to issue long- and medium-term bonds;

(i) To develop the climate for industrial investments by having the State provide new incentives such as the exemption of machines, industrial equipment, spare parts and building materials from customs duties, and of newly established industries from paying income tax for a period of six years. (The main new incentives are: that the State will provide land equipped with the infrastructural necessities free of charge to set up factories in backward areas, and at low prices in semi-developed area; four industrial zones will be set up in governorates (excluding the city of Beirut) as experiments; water, electricity and fuel will be supplied at reduced prices to the industries in backward areas; financial aid will be given to encourage such industries as dairies, fruit and vegetables; LL 250,000 will be distributed annually among the dairy and fruit and vegetable canning factories; LL 250,000 will be allocated annually to support exports that face competition from subsidized commodities in foreign markets; assurances will be given to investors that no similar factories will be set up for a specified period of time, except in cases where an evaluation of the local requirements and export potentialities justify it);

(j) To expand bilateral trade agreements with the various countries of the world, especially with developed market economies with which Lebanon has a trade deficit, and to organize permanent industrial exhibitions in collaboration with the major African countries. (Efficient commercial attachés, with sufficient knowledge of economy and trade, will be appointed to Lebanese embassies in the countries with which Lebanon has important trade relations);

(k) To collect and publish all information and data required by working industrialists and those who wish to set up new factories. In this respect, the Industrial Development Bureau will be provided with the necessary full- and part-time, experienced and qualified personnel to undertake these studies;

(l) To expand establishments in free-trade zones, to increase the number of warehouses and docks, and to enlarge Beirut harbour so that it may accommodate a greater number of ships;

(m) To refrain from imposing customs taxes on transit goods, and to ensure that reasonable fees shall be imposed by the harbour company;

(n) To encourage the marketing of domestic products by imposing international standard specifications on export goods.

VIII. THE LIBYAN ARAB REPUBLIC

Characteristics of the national economy

The Libyan Arab Republic covers an area of about 176 million ha, but only 3.6 million ha, or 2.1 per cent of this area, are arable. The arable land is cultivated as follows:

(a) 2.4 million ha, or 65.2 per cent, are used for seasonal crops;

(b) 14,000 ha, or 3.8 per cent, are planted with permanent crops.

Pastures and grazing fields cover 1.13 million ha (31.1 per cent), and woods and forest cover a small area of 32,000 ha (0.3 per cent). The rest is desert.

Despite this large area, the population of the Libyan Arab Republic in 1970 was only 1.9 million persons, or 1.5 per cent of the estimated total population of the Arab States. The population density per square mile is 2.7; most of the population live in cities.

The illiteracy rate among those over 15 years of age, according to the 1964 census, was 78.3 per cent. The number of employed was 388,000: 37.1 per cent in agriculture, 6.8 per cent in manufacturing industry and 4.5 per cent in other industries.

Most of the workers are engaged in farming and herding, which are the chief economic activities of the country. With only 3.8 per cent of the arable land under permanent cultivation, however, there is a great potential for expanding agricultural development.

The main crops and agricultural output in 1968 were: barley (98,000 tons), tomatoes (123,000 tons), grapes (6,000 tons), dates (57,000 tons) and olives (140,000 tons).

Petroleum is the chief source of wealth in the Libyan Arab Republic. Petroleum production in 1972 amounted to 104 million tons compared with 125.5 million tons in 1968; this was 4.04 per cent of world production and 13 per cent of the total output of the Arab States in that year. The country's oil reserves in that year amounted to 4.5 per cent of world proven reserves and to about 8 per cent of those of the Arab States together. The country's natural gas reserves amounted to 767 million m^3, or 1.5 per cent of world and 7.9 per cent of Arab natural gas reserves.

New discoveries of petroleum and the rapid increase in its production continuously affect the Libyan economy. Any analysis of the economy should take this into account, since the results would differ noticeably according to the period chosen as a base year.

In the period 1963-1968, GDP increased from 254 million Libyan dinars (LD) to LD 1,110 million, or at an average annual growth rate of 67.4 per cent. The per capita GDP in 1963 was LD 163, which rose to LD 617 in 1968, or at an average annual growth rate of 55.7 per cent.

If, on the other hand, the period 1967-1968 is used as a basis for evaluating the country's economic development (this period was taken as a base by the economic plan to show the position of the Libyan economy prior to the plan), the average annual growth rate in GDP would show an increase of almost 20 per cent. This rise in the growth rate may be explained by the rise in the growth rate of the petroleum sector, which dominates the national economy; the growth rate of this sector reached 26.5 per cent in this period while it was only 11 per cent for the other economic sectors.

As petroleum is the main source of income in the Libyan Arab Republic and as foreign companies are the major producers, the transference of a significant portion of the oil revenues in the form of profits for these companies, in 1968, resulted in a noticeable difference between GNP and GDP. The proportion of GNP to GDP amounted to 70.5 per cent in this year.

The average annual growth rate in agriculture and forestry output was only 1 per cent in 1967-1969. This is a very low rate in view of the importance of agriculture, together with handicrafts, as the main source of income for most of the population. The average growth rate of manufacturing industries was 11.5 per cent in this period, while that of public services (excluding education and health) amounted to 14.5 per cent.

Table 62 shows the distribution of GDP among the various sectors of the economy in 1968.

Table 62. Libyan Arab Republic: Distribution of GDP, by economic sector, 1968

Sector	Value (million dinars)	Share in total (percentage)
Agriculture	33	3
Manufacturing industry	20	1.8
Other industries a/	653	58.8
Construction	89	8
Transport and communications	39	3.5
Wholesale and retail trade	45	4.1
Other activities	231	20.8
Total	1,110	100.0

Source: Data background tables.

a/ Including petroleum.

Table 62 shows that the share in GDP of other industries, of which a major portion is related to petroleum, was 58.8 per cent, while the share of agriculture, in which the majority of the population is engaged, was only 3 per cent. The manufacturing sector accounted for only 1.8 per cent of GDP. Perhaps the reason is that the manufacturing sector has traditionally been confined to small individual initiatives for realizing profits without utilizing modern technology. The growth rate of the manufacturing sector in this period did not exceed 9.8 per cent, although the national economy achieved an annual growth rate of 14.2 per cent.

In 1968, domestic fixed investment amounted to LD 290 million, or 36.5 per cent of GDP. Table 63 shows the distributon of domestic fixed investment among the sectors of economic activity.

Table 63. Libyan Arab Republic: Distribution of domestic fixed investment, by economic sector, 1968

Sector	Value (million dinars)	Share in total (percentage)
Agriculture	10	3.4
Manufacturing industry	8	2.8
Other industries a/	153	52.8
Construction	6	2.1
Transport and communications	37	12.7
Wholesale and retail trade	-	-
Other activities	76	26.2
Total	290	100.0

Source: Background data tables.

a/ Including petroleum.

Table 63 shows that petroleum had the major share of investment (other industries, 52.8 per cent). Agriculture had a minimum share of only 3.4 per cent, and manufacturing accounted for only LD 8 million of the total investment of LD 290 million, or 2.8 per cent, although its share went up slightly in 1970 to 4.6 per cent.

Because of its small allocation, the manufacturing sector was confined to small industrial establishments. Larger industrial establishments employing 20 workers or more numbered only 213 in 1970, although the total number of industrial establishments had reached 2,000 in 1969. Food, beverages and tobacco had the major share of production and income in relation to the total manufacturing sector, followed by the chemical and building materials industries. The labour force engaged in the manufacturing sector numbered 30,200 workers, or 8.3 per cent of the total employed.

The financing of this investment was no problem for the national economy, which is characterized by rising savings. Total savings in 1968 reached $385 million, or 34.9 per cent of GDP and 132.8 per cent of the gross domestic fixed investment.

Petroleum mining influenced foreign trade, both exports and imports. While petroleum is produced mainly for export with only a small portion consumed locally, the intermediate and capital goods necessary for prospecting and producing oil are imported.

The oil revenues obtained by the Government from the petroleum companies, in the form of taxes and fees of diverse kinds, make up a small part of the total income. Spending oil revenues inside the country creates a demand for goods and services; in addition, the domestic expenditures of the petroleum companies and the wages and salaries paid to Libyans and foreigners also create demand. This demand cannot be met by domestic production, however, but must be met by imports.

Petroleum exports rose from LD 47 million in 1963 (the first year that petroleum was exported in significant quantities) to LD 772.1 million in 1969, or an increase of 16.4 times. Petroleum exports in proportion to the total exports rose from 94 per cent to 99.7 per cent. Imports, on the other hand, increased from LD 73.6 million in 1963 to LD 241.3 million in 1969 or by 3.3 times.

Table 64 gives the breakdown of the country's exports and imports in 1971/72.

Table 64. Libyan Arab Republic: Exports and imports, 1971/72

Item	Value (million dinars)	Share in total (percentage)
Exports		
Petroleum and gas	975	99.4
Other commodities	0.5	0.1
Re-exports	4.5	0.5
Total	980.0	100.0
Imports		
Food and livestock	43.6	15.8
Beverages and tobacco	3.9	1.4
Non-edible raw materials (excluding petroleum)	6.6	2.4
Mineral fuel materials and combustibles	9.4	3.4
Vegetable and animal oils and fats	6.5	2.4
Chemicals	17.6	6.4
Manufactured goods	59.0	21.4
Machines and transport equipment	84.2	30.6
Miscellaneous manufactured goods	44.2	16.2
Total	275.0	100.0
Non-petroleum activities	250	90.9
Petroleum-mining activities	25	9.1

Source: Libyan Arab Republic, Technical Authority for Planning, the three-year plan for socio-economic development, 1972-1975, table 3, p. 106, and table 6, p. 111.

Table 64 indicates that the trade balance had a noticeable surplus in 1971/72 (LD 705 million); total exports were LD 980 million while total imports reached LD 275 million.

Invisible exports in the same year amounted to LD 67 million, while invisible imports rose far above that figure, to LD 453.0 million. The balance of invisible transactions showed a deficit of LD 386 million, distributed between petroleum-mining activities and non-petroleum companies. This deficit was counterbalanced, however, by a portion of the surplus achieved through visible transactions so that there was a surplus in the current account amounting to LD 319 million.

The three-year plan for socio-economic development (1972/73-1974/75)[1/]

Objectives

The plan sought to realize the following general objectives:

(a) To increase the real gross product (at 1971/72 prices) in non-petroleum economic activities at a rate double that for petroleum-mining activity;

(b) To achieve an annual growth rate (compound) of 14.5 per cent for non-petroleum activities and 7.5 per cent for petroleum activities. (The entire economy is planned to grow at a compound annual rate of 10.75 per cent);

(c) To double the gross income, in general, in a period just over seven years; to raise *per capita* GDP at a compound annual rate of 6.4 per cent, based on the assumption that the population would grow at a compound annual rate of 3.7 per cent;

(d) To develop individual consumption by a compound annual rate of 6.9 per cent, and to develop consumption generally by a compound annual rate of 12.6 per cent, especially in the fields of education, health and national defence;

(e) To raise productivity through training, fellowships and education, which are considered necessary for creating skilled and trained labour;

(f) To develop productivity through adopting capital-intensive methods;

1/ This plan began with overlapping fiscal years, but a later change in the fiscal year made it conform to the Gregorian calendar. After the completion of the first year, it was decided to reformulate the plan to begin in 1973 and to end in December 1975. The new plan is also a three-year plan, although the first year is only six months (1 July 1973-31 December 1973). However, for lack of data, it was decided to take the first year as a basis for the study.

(g) To work towards economic co-ordination and integration among the member States of the Confederation of Arab Republics, in particular, and among the Arab countries in general;

(h) To increase public services of all kinds, affecting education, health, culture, social welfare and information services, as well as work, security and justice.

Effects of the plan on the structure of the economy

The GDP in the base year (1971/72) amounted to LD 1,509 million. The aim of the plan was to raise GDP to LD 2,009.5 million, or at an average annual rate of 11.3 per cent. Accordingly, an objective was to raise the *per capita* GDP from LD 744.1 to LD 888.8, or at a compound annual growth rate of 6.4 per cent.

A noticeable feature of the plan was the aim of changing the shares in GDP of some sectors of the national economy. For example, the share of other industries sector, which is dominated by petroleum, was expected to drop from 64.2 per cent in the base year to 60.2 per cent in the final year of the plan. At the same time the share of the manufacturing sector was planned to increase from 1.6 per cent to 2.2 per cent, and the construction sector from 6.8 per cent to 8.8 per cent. This would have required that the manufacturing sector grow at an annual rate of 27 per cent[2/] and the construction sector at an annual rate of 22.6 per cent. The share of the transport and communications sector was expected to rise from 3.5 per cent to 4.5 per cent or at an annual rate of about 18.5 per cent.

The shares of the other sectors - agriculture, wholesale and retail trade, and other activities - were not expected to change noticeably. Planned annual growth rates for these sectors were 14.9 per cent, 15.3 per cent and 13.2 per cent, respectively.

From this it may be deduced that the real gross product from the non-petroleum economic activities would develop at double the rates sought by the plan for the petroleum-mining sector, or at a 14.5 per cent compound annual growth rate for non-petroleum activities and a 7.5 per cent compound annual growth rate for the petroleum-mining sector.

2/ In the revised industrial plan this rate was put at 26 per cent.

To achieve such growth rates would require a total investment under the plan amounting to LD 1,522 million, or 27.5 per cent of the planned output. The public sector would undertake the major burden of this investment (65.4 per cent), and the private sector would undertake the rest (34.6 per cent).

Investment was distributed among the various sectors of the national economy in order to achieve the specific objectives of these sectors. Table 65 gives the share of each sector in total investment, the planned increase in output and the capital/output ratio. The inversion of this ratio is the productivity of each sector.

Table 65. Libyan Arab Republic: Share of the economic sectors in total investment, target increase in GNP, and the capital/output ratio, 1973-1975

	Investment			
Sector	Value (A) (million dinars)	Share in total (percentage)	Planned increase in output (B) (million dinars)	Capital/ output ratio (A/B)
Agriculture, forests, fisheries	135.6	8.9	15.9	8.5
Manufacturing industry	207.2	13.6	19.8	10.4
Other industries[a]	524.7	34.5	241.9	2.2
Construction	21.7	1.4	70.0	0.3
Transport and communications	211.1	13.9	29.7	7.1
Wholesale and retail trade	9.1	0.6	23.0	0.4
Other activities	432.4	28.4	100.2	4.3
	1 542	101.3	500.3	
- less land	20	1.3		
Total	1 522	100.0		
Average				3.1

a/ Including petroleum.

Table 65 indicates that the other industries sector (of which petroleum makes up the major part) had the largest proportion of the investment (34.5 per cent), amounting to LD 524.7 million. For this reason it was anticipated that it would achieve the largest increase in GNP output (LD 241.9 million). A noteworthy feature was that the construction sector accounted for 1.4 per cent of the total investment, amounting to LD 21.7 million, but according to the plan, this sector would have an increasing share in GNP amounting to LD 70 million. The wholesale and retail trade sector accounted for 0.6 per cent (LD 91.1 million) of the over-all investment, but the target was to increase its share in GNP to LD 23 million. It may be deduced, therefore, that these sectors had a higher productivity rate than others, such as agriculture, which accounted for only 8.9 per cent (LD 135.6 million) of the over-all investment and was not expected to contribute more than LD 15.9 million to GNP. Likewise, the share of the manufacturing sector was 13.6 per cent (LD 207.2 million) of total investment and it was not expected to contribute to an increase in GNP of more than LD 19.8 million. The example of these two sectors is obvious, that is, the capital/output ratio is high in both.

The plan analysis tables[3/] show the targets of major groups of manufacturing for the entire product of this industry. They also reveal that the food, beverages and tobacco industry, although the objective of the plan was to lower its relative importance from 58.8 per cent in the base year to 42.6 per cent in the final year, was still the branch with the highest share. Another notable feature was that the wood and furniture industry, for which an annual growth rate was sought of 134 per cent, would have a share of only 7.6 per cent in the final year of the plan. Similarly, the non-metal industries, for which the plan envisaged a 104 per cent annual growth rate, would obtain a share of only 14 per cent in the final year. The same applies to other industries: the annual average growth rate envisaged by the plan was 278 per cent, while its share in the final year was expected to reach only 9.2 per cent. Again, output of this industry group in the final year of the plan would not exceed LD 1 million, and its share would be 1.1 per cent.

3/ According to table 6 of the plan analysis tables which is based on the plan data prior to its revision to conform with the Gregorian calendar. These data were used because no similar data were available in the new industrial plan.

Among projects that were to be implemented during the plan, attention was given to the food industry; more than 18 factories were scheduled to be built, the most important being for animal fodder and fruit and vegetable canning. The textile industry was to get 5 factories; the most important were to be for weaving and dyeing, with a planned output of 21 million metres and a total investment of LD 13 million. The chemical industry was to get 5 factories; the most important were to be a rubber-tire plant with an investment of LD 20 million. It was also decided to build 12 factories for building materials at a cost of LD 23 million; the most important were to be 2 cement factories with an output capacity of 74,000 tons. Six factories were planned for machines and tools; the most important were to be for the assembly of farming tractors with a capital of LD 20 million and an annual output capacity of 2,000 tractors and 4,000 trailers. A pipe-making factory was also to be built at a cost of LD 11 million, with an output capacity of 75,000 tons.

All of the investment required by the plan was to be financed by domestic savings. Total domestic savings under the plan were estimated at 44.3 per cent of the planned GDP. This was a very high proportion when compared with that of other countries. Despite that, there was a surplus in savings amounting to $885.8 million, or over one third of the target investment for the plan.

It may be useful here to deal with the new industrial plan in some detail.[4/] Problems confronting industrial development were reviewed as part of the plan since they either stemmed from the industrial sector itself or pertained to the other sectors of economic activity.

The problems envisaged in drawing up the plan were:

(a) Deficiency in technical and economic research and study;

(b) Diminutive absorptive capacity of the market;

(c) Deficiency of industrial awareness and knowledge in the private sector;

(d) Shortage of labour, especially skilled labour;

(e) Lack of basic utilities, such as electricity, road, water and drainage;

4/ This plan (1 July 1973 to 31 December 1975) was also a three-year plan, but its first year was only six months.

(f) Low productivity in industrial projects;

(g) Weakness of executive capacity.

Aims and strategy of industrial development

The objectives of the plan were:

(a) To develop industrial production at an annual rate of 24.5 per cent, and to increase the gross industrial product (total value added) by an annual compound rate of 26 per cent;

(b) To increase the share of manufacturing in GDP from 4.3 per cent in 1972 to 6 per cent in the final year of the plan; and, consequently, to increase the share of the gross industrial product (over-all value added) in GDP from 2.3 per cent in 1972 to 7.4 per cent in the final year of the plan;

(c) To increase the number of workers engaged in the industrial sector by 9,500.

The strategy of the plan was:

(a) To draw up a long-term development scheme for the industrial sector with the aim of building up and diversifying the industrial base and of avoiding dependence on the petroleum sector, with the three-year development plan and the succeeding plans seen as successive stages for the long term;

(b) To give priority to the production of consumer and intermediate goods and to build up a base for industrial development;

(c) To give priority to the following branches of industrial activities:

(i) Foodstuffs, to meet the increasing consumption demand and to achieve self-sufficiency;

(ii) Building materials, to provide the requirements of the development plan;

(iii) Metal industries, the finished products of which are used as intermediate goods, such as iron bars for reinforced concrete, pipes, farming tractors and trucks;

(iv) Chemical industries, the raw materials for which are available locally in sufficient quantity to meet the requirements of the other sectors;

(v) To start a long-term development programme for the petrochemical industry since the country has huge reserves of high-grade natural gas and petroleum, which would be suitable for setting up petrochemical industries in addition to other industries based on natural gas, such as nitrogen fertilizers;

(vi) To complete the technical and economic studies for building an iron and steel complex based on utilizing natural gas and iron-ore available locally, in order to form a solid base for the engineering and metal industries.

Table 66 shows the output and income of the major groups of manufacturing industry in the three-year plan.

Table 66. Libyan Arab Republic: Output and value added of major groups of manufacturing, 1973-1975
(Million dinars)

	1973		1975	
Major group	Output	Value added	Output	Value added
Food, beverages and tobacco	37.4	17.1	48.6	23.3
Spinning, weaving, ready-made clothes, shoes	4.6	1.2	11.9	4
Wood and furniture	8.4	2.9	9.9	3.5
Chemicals and by-products	5.4	2.1	6.6	2.6
Petroleum products	2.4	11	42.2	19.9
Cement and building materials	11.6	4.7	21.2	8.5
Metal products	5.3	2.6	18.3	8.8
Handicraft and domestic industries	3	1	3.4	1.2
Other manufactures	-	-	-	-
Total	78.1	42.6	162.1	71.8

Source: Summary of the industrial plan, table 1.

Investment programme for industrial development

This programme comprises a number of projects through which the objectives of the plan could be achieved according to the approved strategy and methods. These projects would utilize the raw materials available in the country, meet consumption requirements, and gradually lead to self-sufficiency. Moreover, the projects envisaged should also contribute to regional development.

Table 67 shows the distribution of investment among the major groups of manufacturing, according to the plan and the over-all costs of the projects.

Table 67. Libyan Arab Republic: Distribution of investment (1973-1975), by major group of manufacturing, and over-all cost of the projects
(Million dinars)

Major group	Investment, 1973-1975	Over-all costs of the projects
Food	29	42.3
Spinning, weaving, clothes and shoes	14.8	25 3
Wood and furniture	8	9.3
Chemicals and products	15.2	35.7
Cement and building materials	40.8	78.6
Metal products, engineering and electrical appliances	23	51.2 a/
Developing production units	1	
Joint venture and establishing new companies	0.5	
Training	3	
Total	135.0	

Source: Summary of the new industrial plan.

a/ Excluding the iron and steel complex.

Employment under the plan

The plan sought to raise employment from 508,500 workers in the base year to 571,500 workers, or an increase of 63,000 workers. This meant that employment would increase by 12.3 per cent at an average annual rate of 4.1 per cent over the plan period.

The plan analysis tables[5] show the distribution of employment among the various sectors of the national economy in the final year of the plan compared with the base year. With the exception of the other activities sector, which was expected to have an increase of 52,200 workers, manufacturing was expected to provide the largest number of job opportunities under the plan; that is, it would realize an increase of 9,500 job opportunities. The number of workers in manufacturing would not exceed 7.8 per cent of total employment at the end of the plan; this percentage was 6.9 in the base year.

The agricultural sector would continue to employ the largest number of workers. In the last year of the plan, the agricultural sector was expected to account for 27.9 per cent of the total number of workers (in the base year it was 30.1 per cent), and to have an increase of 65,000 job opportunities.

The construction sector was expected to provide the same number of job opportunities as the agricultural sector, although the percentage would remain almost the same in the base and final years (11.1 per cent). The transport sector was expected to have an increase of 5,600 job opportunities.

There is a surplus of unskilled labour. Most of these workers have had no opportunities for education or training, and have migrated from the country to the cities.

There is also a surplus of taxi drivers. However, they could be trained to be machine operators or to drive heavy-duty vehicles, such as scooters, road-paving equipment and other machinery that is used in construction work.

Builders, painters and carpentry helpers are also in surplus. They could be trained to acquire skills; they might also be taught to be electricians.

Industrial education and training

Because of the employment situation in the Libyan Arab Republic, the plan had as objectives:

5/ Table 9 of the plan analysis tables.

(a) To concentrate on technical education since it is the main means of meeting the requirements of the production sectors. For this purpose, the industrial school at El Bida would be completed and new classes would be started in the agricultural schools and institutes of applied engineering;

(b) To increase enrolment in universities, especially vocational colleges, and to increase missions abroad for specialized studies. For this purpose, the colleges and utilities of the university city in Benghazi were to be completed, as well as the installations of the colleges of engineering, sciences, Arabic language and Islamic studies; building was to start on colleges of education and agriculture, and on the college of petroleum and minerals;

(c) To expand adult education and to combat illiteracy.

It is important to raise the skills of workers so that they can participate effectively in building the foundation of the public sector. This requires sound planning for the labour force. The requirements of industry for specialized labour of diverse skills were estimated at 17,949 workers by 1977, including the requirements envisaged for the new projects and the nationals needed to replace foreign workers in existing factories (2,611) and to compensate for the existing shortage of 674 workers.

Vocational training requirements were estimated at 20,000 trained personnel, at the least; consequently, the plan evisaged a training network composed of:

(a) Basic training centres, with an annual absorptive capacity of 16,000 trainees in the work zones;

(b) Intermediate technical training centres with a capacity of 3,000 trainees annually;

(c) Specialized training institutes to accommodate 1,000 trainees annually;

(d) Periodical training programmes for the various sectors to improve the skills of national workers and to develop the talents of semi-skilled workers;

(e) The National Institute for Public Administration, together with vocational training centres to be set up.

Structure of foreign trade

Petroleum plays a vital role in the foreign trade of the Libyan Arab Republic. In 1969, petroleum made up 99.7 per cent of the country's exports. Furthermore, the extraction of petroleum requires intermediate materials for production and prospecting, as well as capital goods. This led to an increase in imports from LD 73.6 million in 1962 to LD 241.3 million in 1969.

Under the plan, visible exports were expected to increase from LD 980 million in the base year to LD 1.2 billion in the final year, or at an annual compound rate of 7 per cent. The share of petroleum exports was expected to remain high, to amount in the final year of the plan to LD 1,194 billion and to make up 99.5 per cent of total exports. If invisible exports (including income revenues and current transfers from abroad), which in the base year amounted to LD 57 million and which were expected to rise to LD 119.5 million, are taken into account, the grand total of visible and invisible exports in the final year of the plan would amount to LD 1,319 million.

Imports of goods and commodities in the base year amounted to LD 275 million - the target was LD 405 million at an annual compound growth rate of 13.8 per cent. Invisible imports (including revenues and transfers abroad) were expected to increase from LD 453 million in the base year to LD 601 million in the final year.

The high rate of commodity imports is owing to the requirements for imported capital goods, such as machines, tools and equipment. Imports of machines and transport equipment were expected to increase at an annual rate of 18.4 per cent, while imports of foodstuffs and livestock would increase at a rate of only 3.7 per cent.

According to the plan, the surplus in the trade balance would increase from LD 705 million in the base year to LD 795 million in the final year, or at a growth rate of 4 per cent. This surplus in the trade balance was expected to result from a surplus of petroleum exports, which would rise from LD 950 million in the base year to LD 1,154 million in the final year, or at a compound annual rate of 6.7 per cent. However, non-petroleum activities was expected to experience a deficit that would rise from LD 245 million in the base year to LD 359 million in the final year of the plan, or at an annual compound rate of 13.5 per cent.

The balance of current invisible transactions, including transferred company profits, showed a deficit that would rise from LD 386 million in 1971/72 to LD 481.5 million in the final year of the plan, or at an annual compound growth rate of 7.5 per cent. The conclusion was that the balance of payments for current transactions would show a surplus of LD 319 million in the base year, which would drop to LD 313.5 million in the final year of the plan, at a negative annual compound rate of -0.51 per cent. The surplus in the current account of petroleum activities was expected to be LD 877 million in the final year of the plan compared with LD 699 million in the base year, that is, an annual compound growth rate of 7.8 per cent.

The other non-petroleum activities were expected to show a deficit of LD 563.5 million in the final year of the plan compared with LD 380 million in the base year, or an annual compound rate of decline of 14 per cent. This rise in the deficit was expected as a result of the import requirements of the plan (machines and transport equipment), which were expected to increase at an annual compound rate of 18.4 per cent and the share of which would rise from 3.6 per cent to 34.5 per cent. At the same time, a decline was envisaged in the share of food, beverages and tobacco, and vegetable oils and fats. The over-all surplus in the current account, together with the transfers, was estimated at LD 885.8 million under the plan. It was therefore thought necessary to draw up an effective economic policy that would depend on the resources comprised in that surplus in achieving a balanced and rapid development, regardless of the expected shrinkage in the petroleum resources.

The volume of foreign trade between the Libyan Arab Republic and the Arab world during the period 1966-1970 was small, amounting to 1.4 per cent of the total trade -0.2 per cent of the exports and 5.2 per cent of the imports. The reason was that Libyan exports were concentrated in petroleum for which there was no great need in the Arab world, since some Arab countries were petroleum producers and exporters themselves and others imported only small quantities. The small volume of imports from the Arab countries was owing to the preference of importers for high-quality goods which were available in markets outside the Arab world.

The plan took into consideration the development of trade between the Libyan Arab Republic and the Arab world, especially after the formation of the Confederation of Arab Republics. In the plan consideration was given to co-ordinating its objectives and those of other Arab plans in order to benefit from specialization in production and expansion of the market.

Role of public and private sectors

The public sector was to set up large industries of national importance or of a monopolistic nature. In addition, either alone or in collaboration with the private sector, it would establish industries that had little attraction to the private sector, that is, industries that would be characterized by small profits and heavy burdens, or whose investment could not be split up.

It was important for the private sector to participate actively and rapidly in industrial development; for this reason, the State approved the following incentives:

(a) To expand industrial deposits and direct them towards the projects required by development;

(b) To revise the industrial projects in order to make them conform to the requirements of the present stage of development, and to remove all procedures that restricted the participation of the private sector;

(c) To provide material incentives such as: exempting from customs taxes imported machines, equipment and raw materials; setting up full and partial customs protection to safeguard national production; and reducing costs of electricity.

The Government was to undertake the development of the industrial sector as a whole, to raise its production capacity through research studies and evaluation, and to adopt suitable banking, trade and financial policies.

Financial policies

(a) To study the possibility of establishing a development bank to facilitate medium-term loans to the private sector;

(b) To strengthen the industrial and real estate bank by providing it with the necessary resources for long-term loans, either from government resources or through issuing bonds that would be sold to other commercial banks;

(c) To provide the necessary credit for encouraging small projects small-sized industries and private technical economic offices, which would undertake preliminary studies to evaluate the projects and the possibilities of implementing them.

Trade policies

A qualitative study was to be made of using the country's present position as an exporter of a strategic material (petroleum) to conclude trade agreements with importing countries.

Trade policies were to be designed:

(a) To establish a customs tariff system whereby high customs were levied on commodities that competed with local products or that had local substitutes, in order to safeguard domestic products against foreign competition;

(b) To draw up the measures necessary for organizing production subsidies.

Organizations to encourage industry

National General Organization for Industrialization. This is the main authority for executing the industrial development plan; it adopts the necessary measures to approve projects and to implement them individually or in collaboration with the private sector. It is therefore responsible for drawing up and implementing programmes for building industries.

Industrial Research Centre. This Centre is responsible for study and research programmes. It carries out various industrial studies and research and provides technical and economic services connected with investment, increasing production and raising productivity to the authorities engaged in industry, both Government and private.

The Centre undertakes industrial experiments relating to industrial production and its development. It also engages in geological research and prospecting for mineral resources.

Ministry of Industry. The Ministry collaborates with specialized state authorities in selecting factory sites and installing electricity, water and roads to meet the requirements of the industrial projects that are to be set up in the area.

Industrial and Real Estate Bank. The Bank helps the private sector by providing it with the loans necessary for small industrial projects within the context of the industrial policy.

IX. SAUDI ARABIA

Characteristics of the national economy

According to the 1970 census, the population of Saudi Arabia numbered 7.4 million, or about 6 per cent of the estimated total population of the Arab countries. The average annual increase in population over the period 1960-1970 amounted to 1.7 per cent, and it was expected that the population would reach 8.4 million by the mid-1970s.

In 1966, total employment amounted to 1 million. Table 68 shows the distribution of employment in the various sectors of the economy. It indicates that a high proportion of the labour force was engaged in agriculture (46.2 per cent).

Table 68. Saudi Arabia: Distribution of employment, by economic sector, 1966

Sector	Share in total (percentage)
Agriculture	46.2
Manufacturing	4.1
Other industries	3.4
Construction	10.3
Transport and communications	4.4
Trade	9.5
Other activities	22.2
Total	100.0

Source: Background data tables.

Arable land constitutes 39.9 per cent of the total land, but only 0.9 per cent of this area is used for seasonal crops. Permanent farmland hardly exists, but permanent pastures occupy 99 per cent of all agricultural land. Forests occupy around 0.8 per cent of the total area.

Saudi Arabia is the largest producer of petroleum in the world. Its production of crude oil amounted to 300 million tons in 1972, that is, 11.6 per cent of the total world production and about 37 per cent of the total Arab production. Proved crude oil reserves make up 39 per cent of total

Middle East reserves and 21.9 per cent of total world reserves. Furthermore, Saudi Arabia possesses 4 per cent of total proved world reserves of natural gas (excluding the centrally planned economies) and 20.9 per cent of the total of such reserves in the Arab countries. In addition, some minerals are found in Saudi Arabia such as phosphates (production amounted to 381,000 tons in 1968 or 0.4 per cent of total world production). Several other ores including copper, iron, zinc, and salts exist in small quantities.

Saudi Arabia possesses 1.2 per cent of the total number of cows and buffaloes in the Arab world, 4.7 per cent of the total number of sheep and goats, 11.5 per cent of the camels, 2.1 per cent of the horses, donkeys and mules, and 3.7 per cent of poultry.

Dates, sesame, tomatoes, maize, barley and rice are the most important agricultural crops that can be used as industrial inputs.

GNP (at current prices) amounted to $3,220 million in 1970, and average *per capita* GNP amounted to $440 (as compared to $80 for Yemen and $3,760 for Kuwait). GNP in 1970 constituted 9 per cent of the total GNP of the Arab countries. The average rate of growth *per capita* income was 8 per cent over the period 1960-1970 and that of GNP was 9.7 per cent. GDP differs from GNP in Saudi Arabia because of the oil revenues earned by foreign companies. Accordingly, GDP (at factor cost) constituted some 77.9 per cent of GNP in 1968. Table 69 gives the distribution of GDP, in 1969, according to economic sector.

Table 69. Saudi Arabia: Distribution of GDP, by economic sector, 1969

Economic activity	Share of GDP (percentage)
Agriculture	6.2
Manufacturing industries	8.0
Other industries	48.0
Construction	5.3
Transport and communications	7.4
Trade (wholesale and retail)	7.5
Other activities	17.9
Total	100.0

Source: Background data tables.

It is evident from table 69 that other industries, which include crude oil, mining and electricity, represented about one half of GDP in 1969, followed by other economic activities. Manufacturing accounted for only 8 per cent and most of this figure represented petroleum refining. The relatively smaller share of agriculture may be attributed to the limited permanent cultivable area.

Furthermore, Saudi Arabia has been transformed from a net exporter to an importer and exporter of animal wealth since bedouin life has become more sedentary.

Table 70 shows the output and percentage shares of the major groups of manufacturing in 1968.

Table 70. Saudi Arabia: Distribution of output, by major group of manufacturing, 1968

Major group	Output (thousand riyals)	Share in Total (percentage)
Food, beverages and tobacco	54 953	22.7
Textiles, ready-made clothes and leather goods	17 246	7.2
Wood and wood products (including furniture)	24 915	10.3
Paper and printing	11 419	4.6
Chemicals (excluding oil)	8 701	3.7
Non-ferrous metals	57 597	23.4
Basic metals	14 726	6.1
Mechanical and electrical equipment	46 909	19.6
Other manufactures	5 801	2.4
Total	242 263	100.0

Source: Saudi Arabia, Centre for Industrial Development and Research, Saudi Directory of Industrial Investments, H.1393, B114 (1972).

It may be noted from table 70 that the chemical industry (excluding petroleum) in 1968 accounted for only 3.7 per cent of the output, but if petroleum refining and the conversion of natural gas are included, it was most important, followed by the non-ferrous metals industry (23.4 per cent), foodstuffs (22.7 per cent), mechanical and electrical equipment (19.6 per cent), wood and furniture (10.3 per cent), textiles and clothing (7.2 per cent), basic metals (6.1 per cent), paper and printing (4.6 per cent), and other industries (2.4 per cent).

The Saudi economy is characterized by an excess of national savings over domestic investment, the excess being invested abroad.

The development budget for 1967-1971 totalled SRls 2,675 million (about 21.7 per cent of GDP), of which SRls 2,200 million came from the government budget and represented 82.2 per cent of gross domestic fixed investment. The balance was made up by private savings.

Saudi Arabia has accumulated gold and foreign currency reserves; in 1967-1971 these reserves averaged some $111 million in gold and $693.2 million in foreign currencies. The figures do not include the foreign assets of the commercial banks, which amounted to $89.3 million, or deposits of the International Monetary Fund (IMF) amounting to $25.6 million.

The Saudi economy is dependent to a large extent on exports; these constituted, on the average, 70 per cent of GDP in 1967-1971. Petroleum makes up 95 per cent of total exports, while the balance is made up of foodstuffs, livestock, animal produce and fuel oils. Imports consist mainly of foodstuffs, consumer goods, livestock, textiles, motor vehicles, machinery and construction materials. The pilgrimage season was a major source of foreign currency before the discovery of petroleum. Pilgrimage revenue amounted to $72 million and pilgrims numbered 375,000 in 1968.

Table 71 gives the main balance of payments items in 1968 and 1969. It may be noted from the table that there was a growing deficit on current account despite the rise in export receipts.

Table 71. Saudi Arabia: Balance of payments, 1968 and 1969
(Million dollars)

Item	1968	1969
A. Current transactions account		
Receipts		
Exports (f.o.b.)	1 784	1 845
Receipts from petroleum companies (excluding Aramco)	55	54
Pilgrimage	72	94
Total	1 991	2 061
Payments		
Imports (c.i.f.)	796	839
Non-monetary gold	11	16
Payments of investment returns	698	725
Government expenditure abroad	270	278
Tourism and personal travel	77	85
Tapline expenditure abroad	24	23
Other services	160	154
Total	2 036	2 120
Deficit	- 45	- 59
B. Capital account of current transactions deficit		
Direct investment obligations	+ 16	+ 39
Gold, foreign currency holdings and foreign investments	- 56	- 21
Foreign position of commercial banks	- 12	+ 10
Errors and omissions	+ 7	+ 13

Source: IDCAS, Saudi Directory of Industrial Investments, October 1970, p. 18-19.

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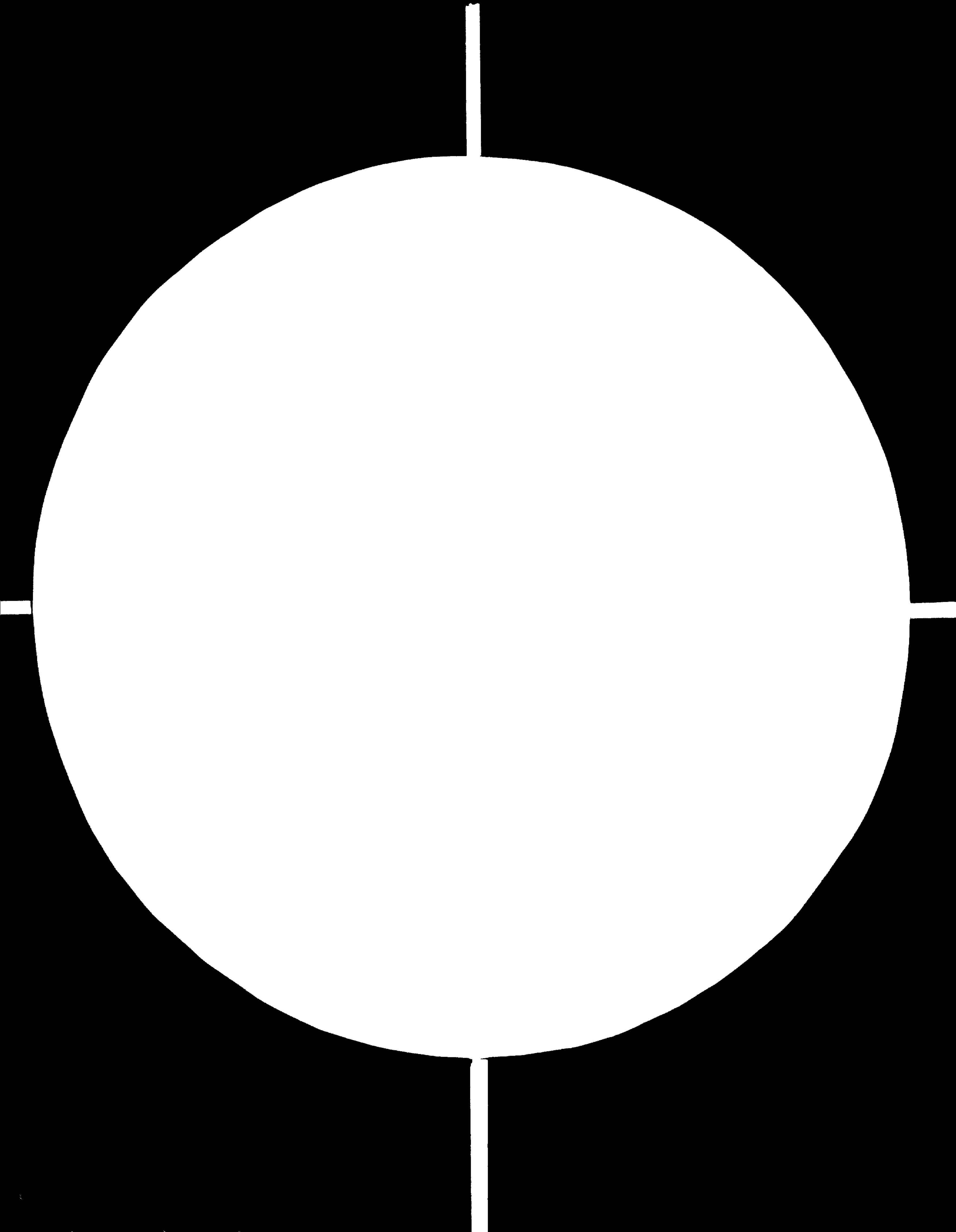

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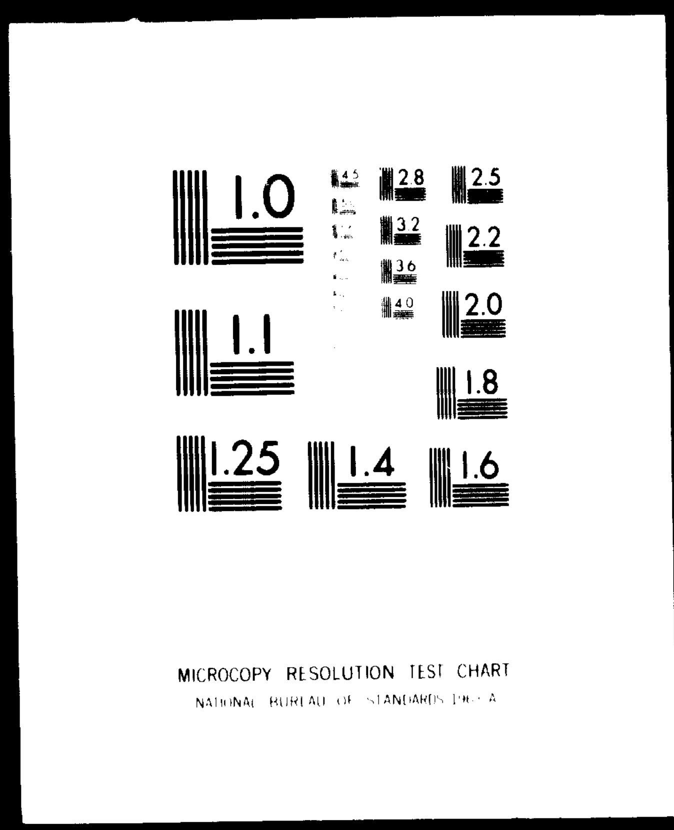

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The economic development plan (1970/71-1974/75)

Objectives

The national development plan was designed to raise the standard of living while safeguarding internal order and economic and social stability by means of:

(a) Increasing the rate of growth of GDP;

(b) Developing and raising labour productivity and emphasizing practical and vocational training;

(c) Diversifying the sources of national income and decreasing the reliance on petroleum by increasing the share of other productive sectors in GDP;

(d) Ensuring balanced industrial development among the various regions of the country in line with economic interests;

(e) Increasing the sale of petroleum products, fertilizers, petrochemicals and mining products in international markets, while supplying domestic industry with its needs of such materials at cost;

(f) Promoting the exploitation and exploration of mineral deposits by encouraging foreign mining companies and both foreign and domestic investors to participate in the establishment of new mining projects;

(g) Collecting information regarding the geological characteristics of the various regions, where possibilities exist for discovering new mineral deposits by means of geological surveys and exploration;

(h) Substituting domestic products for imports in order to preserve foreign currency reserves;

(i) Encouraging the greater utilization of productive capacity available to the private industrial sector;

(j) Increasing productivity by setting productive capacities standards for plants and encouraging interdependence and integration among industries;

(k) Improving productivity in the construction industry and raising the standards of building and construction specifications.

The following are some of the basic figures projected for GDP, fixed investment and employment:[1/]

GDP (in base year): SRls 17,371.1 million

GDP (at end of plan period): SRls 27,700 million

Projected total GDP (during plan period): SRls 115,758 million

Projected average rate of growth of GDP: 11.5 per cent

Projected gross investment during plan: SRls 18,382.5 million

Ratio of total investments to GDP (during plan period): 15.9 per cent

Projected increase in employment: 26.2 per cent.

The goal of the development plan was to increase per capita income from SRls 2,244.3 in the base year (1969/70) to SRls 3,262 in the final year of the plan (1974/75), that is, to achieve an annual rate of growth of 9.2 per cent. Table 72 illustrates changes in the structure of the Saudi economy as projected in the development plan.

Table 72. Saudi Arabia: Projected structural changes in the economy, 1970/71-1974/75 (Percentage)

Sector	Share of invest-ment	Share of GDP (at factor cost) 1969/70	1974/75	Annual rate of growth	Share of employment 1969/70	1974/75	Annual rate of growth
Agriculture	3.6	5.8	4.5	5.0	40.4	32.4	0.3
Manufacturing	2.7	8.9	9.1	12.8	4.4	4.7	7.1
Other industries[a/]	-	48.9	47.8	11.2	3.5	3.8	7.3
Construction	-	4.8	5.0	12.6	11.9	13.7	8.9
Transport and communi-cations	18.1	7.5	8.7	16.6	5.3	6.6	11.6
Trade and finance	0.3	7.2	8.3	16.4	11.0	13.2	10.3
Other activities	75.3	16.9	16.6	11.2	23.5	25.6	5.4
Total	100.0	100.0	100.0		100.0	100.0	

Source: Development plan tables.

a/ Including petroleum.

1/ Taken from the development plan tables. All growth rates are simple rates.

Table 72 indicates the relatively low rate of growth attained by the agricultural sector (5 per cent) and other industries, especially petroleum (11.2 per cent), in comparison with the rates achieved by transport and communications (16.6 per cent), trade and finance (16.4 per cent), manufacturing (12.8 per cent) and construction (12.6 per cent).

Transport and communications and other activities absorbed the greatest share of investment (18.1 per cent and 75.3 per cent respectively) because of the importance attached by Saudi Arabia to the establishment of a modern communications network to link the various parts of its vast area.

The low rate of growth of employment in agriculture (0.3 per cent) and in other activities (5.4 per cent) contrasts with the high rates attained in transport and communications (11.6 per cent) and trade and finance (10.3 per cent).

Measures for implementing the plan

The following means were adopted for implementing the plan:

(a) Maintaining a free and stable economy with no restrictions placed on currency transfers or imports;

(b) Financing government expenditure from current revenue and not from foreign currency reserves, while maintaining such reserves at the level necessary to cover the country's import needs for a period of two and one half years;

(c) Modernizing the banking system and establishing an industrial bank and a corporation to finance housing projects;

(d) Raising the productivity of private enterprises, securing their participation in the process of development and supplying them with the necessary technical data and services;

(e) Adopting a comprehensive programme to improve administrative machinery;

(f) Reviewing the public utilities system for purposes of determining the necessary degree of centralization;

(g) Undertaking a comprehensive topographical survey of the country;

(h) Undertaking a comprehensive statistical programme, including a complete census of the population, and developing and expanding all statistical series;

(i) Undertaking the pre-feasibility studies required prior to executing certain technical projects, collecting the data required for economic planning, and overseeing the follow-up of the plan;

(j) Expanding the technical training of boys; establishing three new secretarial and business institutes; undertaking an advanced women teachers' programme; and providing technical agricultural training before the end of the plan period;

(k) Accepting more students at the Petroleum and Minerals College, at the Teachers Training College at Mecca and at King Abdel Aziz University;

(l) Establishing a financial and organizational structure for Petromin Corporation and forming an international trade and marketing company for the purpose of selling Petromin products abroad;

(m) Encouraging the mining industry by reviewing the system and amending the laws, where necessary, governing mining and the investment of foreign capital; promoting the establishment of joint ventures on a cost-sharing basis; establishing a Saudi mineral prospecting company during the first year of the plan; undertaking through the General Directorate for Mineral Wealth, at the end of the plan period, all decisions and basic operations while leaving foreign firms to undertake only limited activities;

(n) Encouraging private manufacturing industry by means of various incentives, and laying down a clear policy for determining prices of petroleum products and natural gas to apply to domestic consumers;

(o) Completing the establishment of three industrial regions in Riyad, Jeddah and Damaam;

(p) Preparing economic pre-feasibility studies for top priority projects on industrial investment opportunities and on the extent to which other industrial estates are needed; preparing an industrial investment guide; and providing services to the private sector;

(q) Instituting proper customs tariffs, exemptions and subsidies as a means of promoting economic development, and removing all forms of non-financial obstacles that might impede domestic and international trade;

(r) Fixing standard measures and specifications for goods placed on the market and controlling their quality.

The public sector was entrusted with establishing petrochemical, fertilizer and basic metallurgical industries during the plan period. The most important projects relate to the expansion and completion of the refinery at Jeddah at a capital cost of SRls 141 million; the new Riyad refinery at a cost of SRls 179 million; a phosphorus company at a cost of SRls 126 million; a petrochemical project to produce natural gas; an animal fodder project at a cost of SRls 1,507.5 million; a potash project whose output was expected to reach 100,000 tons per annum at a cost of SRls 129 million; a magnesium project with a capacity of 20,000 tons per annum at a capital cost of SRls 135 million; a chlorine production project with a capacity of 56,000 tons per annum at a cost of SRls 320 million; and, lastly, an aluminium project with an annual capacity of 140,000 tons at a cost of SRls 765 million.

The plan entrusted the private sector with more than 43 projects at a total capital cost of SRls 235 million distributed among the major groups of manufacturing industry.

Promotion of industry

The development plan specified certain incentives for industry of which the following are examples:

1. Petroleum and mineral development:

(a) Expanding sales of petroleum products, fertilizers and petrochemicals;

(b) Adopting clear price policies for refined petroleum products and natural gas, and supplying domestic industries with such products at reduced prices;

(c) Encouraging government and semi-official bodies to undertake the responsibility for preparing studies and geological surveys that were being undertaken by foreign companies;

(d) Promoting investment in the field of mineral exploration and exploitation by encouraging foreign mining companies and private domestic capital to participate in new projects.

2. Building and construction

(a) Improving both the quality and standard of work in this sector.

3. Public utilities:

(a) Meeting the electrical power needs of industry by supplying such power at prices that would not impede development;

(b) Formulating a programme for the electrification of rural areas to promote small industries.

4. Transport:

(a) Completing the construction of roads that link main population centres; designing and building new roads and undertaking the proper maintenance of existing roads;

(b) Enlarging the ports of Jeddah, Damaam and Jizan;

(c) Completing the studies relating to rail freight charges and encouraging the conclusion of special rate freight contracts in respect of certain goods.

5. Manpower development:

(a) Establishing new technical and engineering training institutes and increasing the capacity of existing institutes in these fields;

(b) Encouraging and assisting the education and training of Saudi nationals abroad;

(c) Encouraging the training of Saudi nationals employed in industry by sharing in the cost of practical training.

Incentives for industrial development

Saudi Arabia is endeavouring by all possible means to industrialize by promoting private industrial enterprises through granting them incentives. The following is a brief description of such incentives:

(a) Exempting industrial enterprises and foreign investment from taxes for a period of five years from the start of production, provided that a minimum of 25 per cent of their capital is held by Saudi nationals;

(b) Exempting Saudi enterprises completely from taxes with the exception of the Zakat tax which is comparatively low;

(c) Exempting all imported equipment from customs duties in order to promote the establishment of new industries and expand existing ones in accordance with the system for the protection and promotion of national industries;

(d) Likewise, exempting raw materials, spare parts and packaging materials imported for industrial use, while not exempting imported goods that are available domestically;

(e) Granting foreign investments in industry all the privileges accorded to national industrial enterprises;

(f) Taking into consideration existing productive capacity when issuing licences for the establishment of new industrial units in order to ensure large-scale production on a sound economic basis;

(g) In line with the system governing the protection and promotion of domestic industries, granting the required protection to local industries that are threatened by foreign competition resulting from the importation of similar goods;

(h) In a like manner, providing financial aid and assistance in kind, e.g. technical assistance, in certain cases to industrial enterprises;

(i) Imposing restrictions on exports of domestic raw materials whenever this is deemed necessary in order to ensure that domestic industries shall be supplied with their requirements for raw materials;

(j) Establishing a Centre for Industrial Research and Development to promote development research and to provide assistance to existing and new industrial enterprises. The Centre employs foreign experts and receives technical assistance from UNIDO;

(k) Creating industrial estates where facilities are granted in the form of land at nominal rents and where maintenance is ensured by means of fully equipped modern workshops in each area to serve industries in the three regions of Jeddah, Riyad and Damaam. Plans exist for the establishment of more of these estates;

(l) Sending many Saudis abroad at government expense to receive higher education and training, and setting up private technical institutes in the Kingdom to raise technical skills in various fields;

(m) Employing foreign nationals possessing skills that are not available domestically in Saudi industrial establishments;

(n) As regards government purchases, giving priority to domestic industrial goods in accordance with the system of tenders and bids in force. Government departments may effect purchases from local factories at prices that are 10 per cent higher than the prices of similar imported goods provided consideration is given to quality, delivery dates etc.;

(o) Granting government land to industrial enterprises at reduced prices, while according preferential treatment to such establishments by electric power companies. In fact, the electricity companies have agreed to supply such establishments with power at reduced rates;

(p) Drawing up large programmes to provide industry with the required basic infrastructure in the form of modern means of transport and communications on a sound economic basis;

(q) Taking governmental initiative in establishing certain basic industries, welcoming investments by private investors in such industries and, moreover, selling off government shares to private establishments at the appropriate time;

(r) Encouraging national industries by concluding bilateral trade agreements with foreign countries, by participating in international fairs and exhibitions, and by exchanging trade and industrial delegations with other countries;

(s) Devising a development plan to achieve economic diversification, e.g. by forming a committee to raise national industrial productivity and to establish an industrial development bank.

X. THE SUDAN

Characteristics of the national economy

The total area of the Sudan is approximately 250 million ha. The cultivated area is estimated at about 31.1 million ha, of which 22.8 per cent (or 7.1 million ha) is for seasonal crops and 77.2 per cent (or 24 million ha) is for permanent pastures. Forests occupy an area of 91.5 million ha. The area actually cultivated in 1967/68 was less than 10 per cent of the cultivable land, thus indicating that there exists a large potential for agricultural development if the necessary labour were available.

In addition to its large cultivable area, the Sudan also has substantial animal wealth. It is among the few developing countries that have achieved self-sufficiency in this respect. The country is an exporter of animal wealth. Livestock is considered one of the most important sources of income in the Sudan. The number of cows and buffaloes in 1968 amounted to 12.1 million, which is more than one half the total number for all Arab countries together; in the same year, sheep numbered 20.6 million, or 20.1 per cent of the total for all Arab countries. Because of the abundance of animal resources in the Sudan, both the Government and the private sector have attached great importance to development of animal husbandry. Yet there still exists great potential for the further development of this resource as a source of food and also as an export item to the Arab countries and to the rest of the world.

Geological surveys have revealed the existence of various kinds of minerals; those actually exploited are gold, manganese and chromite. A few thousand tons of manganese have been exported.

The population of the Sudan numbered 16.7 million in 1970 and this figure represented 13.3 per cent of the estimated total population of the Arab world. The average annual rate of population increase in the period 1960-1970 amounted to 2.92 per cent. In 1968, the rural population constituted 88.9 per cent of the total population. The rate of illiteracy, in 1965, was exceptionally high at 95.6 per cent.

The total number of workers in 1968/69 was 4.8 million. Table 73 shows the distribution of the labour force among the various sectors of the economy. The table also shows that, in 1968, 85.76 per cent of the population was employed in agriculture and forestry, thus indicating the significance of this activity. Of the labour force 4.97 per cent was engaged in industry and the balance was distributed among the other sectors of economic activity.

Table 73. Sudan: Distribution of the labour force, by economic sector, 1969
(Percentage)

Sector		Share in total
Agriculture and forestry		85.76
Industry		4.97
Services		4.61
Trade		2.06
Transportation		0.64
Construction		0.64
Other activities		1.32
	Total	100.00

Source: Ministry of Labour, Labour Supply in Sudan, October 1969.

GNP (at market prices) amounted to $1.9 billion in 1970, or 5.2 per cent of the gross national income of all Arab countries in that year. The average annual rate of growth of GNP for the period 1960-1970 was 3.9 per cent; *per capita* GNP, in 1970, amounted to $120, thus indicating an average annual rate of growth of 1 per cent over the period 1960-1970.

Table 74 shows the distribution of GDP among the various economic sectors in 1966 and 1968.

Table 74. Sudan: Distribution of GDP, by economic sector, 1966 and 1968

Sector	GDP, 1966		GDP, 1968	
	Value (million dollars)	Share in total (percentage)	Value (million dollars)	Share in total (percentage)
Agriculture and forestry	496.4	38	574.1	38.2
Industry, mining and electricity	158.3	12	173.7	11.5
Construction	68.6	5	69.8	4.6
Transport and communications	91.3	7	97.1	5.4
Wholesale and retail trade, banking and insurance	310.9	23	364.7	24.8
Services	116.6	9	174.9	9.8
Other sectors	79.8	6	86.2	5.7
Total	1 321.9	100	1 540.5	100.0

Source: IDCAS, Summaries of Industrial Development Plans of Six Arab Countries (IDCAS/RS2/39/2/10).

It may be seen from the table that agriculture and forestry were the leading sector in these two years, employing 85 per cent of the labour force.

Cotton is the country's most important cash crop; it is also a major source of foreign exchange receipts since the entire, internationally renowned long staple crop is exported. Sesame and ground-nuts are also major cash crops. Maize, which is the main food crop, is cultivated on a large scale and its output meets the needs of domestic consumption. In general the Sudan is one of the few developing countries that is not only self-sufficient in agricultural production but that also has a surplus for export. Table 75 shows the major cultivated areas in 1968/69.

Table 75. Sudan: Cultivated area of major crops, 1968/69

Crops		Area (million feddans[a])	Share in total (percentage)
Maize		4.7	47.9
Tobacco		1.5	14.8
Sesame		1.3	12.6
Cotton		1.1	11.7
Ground-nuts		0.8	8.6
Wheat		0.2	2.2
	Total	9.6	100.0

Source: Reports of the Sudanese Ministry of Agriculture.

a/ 1 feddan = 42 a (4.200 m^2).

In addition to agriculture, animal husbandry is a very important activity. With respect to forests, wood is used for making railway sleepers and poles.

With regard to industry, mining and electricity are important; their share of GDP, as shown in table 74, amounted to 12 per cent in 1966 and 11.5 per cent in 1968.

Table 76 gives data on manufacturing industries in 1968/69. It may be seen from this table that the food, beverages and tobacco industries had the highest value added (33 per cent) and number of workers (40 per cent), while the textile and leather industries ranked second.

Table 76. Sudan: Characteristics of major groups of manufacturing industry, 1968/69

Major group	Number of establishments	Share in total (percentage)	Number of workers	Share in total (percentage)	Output: Value (million dollars)	Output: Share in total (percentage)	Value added: Value (million dollars)	Value added: Share in total (percentage)
Food beverages and tobacco	117	21.09	13 639	40.08	101.0	55.18	15.3	32.99
Textiles, leather and leather goods	44	7.92	8 962	26.32	36.6	19.98	14.1	30.49
Wood and wood products	159	28.65	1 900	5.59	3.9	2.16	2.0	2.26
Paper, paper products and printing	20	3.6	2 301	6.76	6.5	3.55	3.1	6.79
Chemicals	36	6.49	2 615	7.68	18.6	10.18	5.5	11.91
Mining and quarrying	24	4.32	1 034	3.03	4.9	2.87	2.2	4.69
Electrical machinery	115	27.93	3 591	10.54	11.1	6.08	4.1	8.87
Total	555	100.00	34 042	100.00	182.6	100.00	46.3	100.00

Source: IDCAS, *Summaries of Industrial Development Plans of Six Arab Countries* (IDCAS/KS2/2/10).

The textile industry depends on the domestically produced short-staple cotton, and there is scope for the development of the leather industry owing to the abundance of animal resources in the Sudan.

It should be noted that industry is oriented towards import-substitution in the field of consumer goods. The development of industry is totally dependent on the importation of raw materials. Most of the industrial establishments (80 per cent) are centred around three cities, namely, Khartoum, Khartoum North and Om Durman. Studies show that most factories, whether privately or publicly owned, work at less than full capacity. For instance, spinning factories operate at 50 per cent of their productive capacity; ready-made clothes factories operate at 75 per cent of their capacity; and shoe factories at 60 per cent.1/

With regard to industrial development, mention should be made of the main economic problem of the Sudan, namely, its high dependence on (cultivating and exporting) a limited number of crops, particularly cotton. Hence, the goal is still to diversify economic activities through developing the industrial sector.

The foreign trade of the Sudan has the same characteristics as that for most developing countries, namely, that its exports consist in the main of agricultural produce which is limited to a number of commodities, particularly cotton. It imports consumer goods. As previously noted, efforts are being made to diversify exports through the diversification of economic activities. Efforts are also being made to encourage the establishment of import-substitution industries for consumer goods. For example, a few years ago two textile factories were established to produce cheap textiles from short-staple cotton. A sugar factory was also established; as a result, the percentage share of sugar imports in total imports fell from 6.2 per cent in the period 1962-1966 to 3.7 per cent in the period 1967-1971. Table 77 gives the balance of trade figures for the Sudan.

1/ IDCAS, Industrial Survey of Sudan, 1969.

Table 77. Sudan: Balance of trade, 1967-1971
(Million Sudanese pounds)

	1967	1968	1969	1970	1971
Exports	74.6	85.6	86.2	103.4	114.4
Imports	74.3	83.8	89.3	100.1	115.4
Balance of trade	-0.3	+1.8	-3.1	+3.3	-1.0

Source: Bank of Sudan, Twelfth Annual Report, 1971.

As can be seen from table 77, the balance of trade recorded a surplus in three of the years and a deficit in two, and it fluctuated between deficit and surplus, although within narrow margins.

Table 78 shows the percentage distribution of the various goods exported. It is clear from this table that exports consisted only of agricultural products and that the share of cotton was proportionately large if compared with other exports.

Table 78. Sudan: Distribution of exports and imports, by commodity, 1967 and 1971 (Percentage)

Commodity	Share in total, 1967	Share in total, 1971
Exports		
Cotton	54.8	61.1
Ground-nuts	8.7	8.1
Gum Arabic	11.0	7.0
Sesame	8.7	7.0
Cake meal	7.2	3.9
Other	9.6	12.9
Total	100.0	100.0
Imports		
Textiles	12.6	21.9
Machinery and spare parts	13.1	12.3
Transport and equipment	11.4	9.9
Chemicals and pharmaceuticals	2.6	11.2
Food	6.5	8.4
Sugar	2.2	5.4
Tea	4.3	3.6
Coffee	2.3	1.4
Tobacco and cigarettes	0.9	2.6
Other manufactures	40.1	21.2
Raw materials	4.0	2.1
Total	100.0	100.0

Source: Bank of Sudan, Twelfth Annual Report, 1971.

The table shows that imports in these years consisted mainly of consumer goods. Imports of non-consumer goods were confined to machinery, spare-parts and transportation equipment; these constituted 25 per cent of total imports in 1967 and 22.2 per cent in 1971.

Table 79 gives the geographical distribution of exports from the Sudan.

Table 79. Sudan: Geographical distribution of exports, 1967 and 1971
(Percentage)

Country or economic grouping	Share in total, 1967	Share in total, 1971
China	3.6	9.4
Egypt	3.9	5.9
India	9.0	10.5
Japan	7.6	7.2
United Kingdom	7.8	4.3
United States	6.2	3.3
USSR	4.2	16.1
EEC	37.3	24.5
Other Western European countries	1.1	2.7
Other centrally planned economies	3.8	7.8
Other countries	15.5	9.2
Total	100.0	100.0

Source: Bank of Sudan, Twelfth Annual Report, 1971.

Table 80 gives the geographical distribution of imports to the Sudan. It is clear from the table that the exchange control system applied during the last few years has had an impact in redirecting imports from convertible currency areas to countries with which bilateral agreements exist. Thus imports from Japan, the United Kingdom, the United States and Western Europe, which constituted 57.7 per cent of total imports to the Sudan in 1967, fell to 40.7 per cent in 1971, whereas imports from Egypt, India and the centrally planned economies (with which bilateral agreements exist) increased from 31.1 per cent in 1967 to 48.8 per cent in 1971. Of noteworthy importance also is the increase in imports to the Sudan from India in 1971, to the extent that they exceeded imports from all EEC countries. It should also be noted that more than 50 per cent of these imports consisted of yarn and textiles.

Table 80. Sudan: Geographical distribution of imports, 1967 and 1971
(Percentage)

Country or area	Share in total, 1967	Share in total, 1971
China	8.0	6.7
Egypt	4.4	5.9
India	10.6	19.7
Japan	6.2	4.2
United Kingdom	21.9	13.7
United States	8.7	2.5
USSR	1.5	6.8
EEC	17.5	15.9
Other Western European countries	3.4	4.4
Other centrally planned economies	6.6	9.7
Other countries	11.2	10.5
Total	100.0	100.0

Source: Bank of Sudan, Twelfth Annual Report, 1971.

The economic and social development plan (1970/71-1974/75)

Objectives

The aims of the 1970/71-1974/75 plan were:

(a) Annual growth rate for GDP of 8.1 per cent, as compared with an annual rate of 4.7 per cent over the previous five-year plan. GDP in 1974/75 was projected at $2.4 billion;

(b) Annual growth rate for *per capita* GDP of 5.5 per cent or a figure of $136.70 in 1974/75;

(c) Annual growth rate for industrial domestic product of 9.4 per cent, that is, from $145.9 million in 1969/70 to $229.8 million in 1974/75. Hence, *per capita* industrial product would increase at an annual rate of 6.8 per cent (from $9.5 in 1969/70 to $13.2 in 1974/75);

(d) Increase in employment from 8.6 million workers in 1969/70 to 9.6 million workers in 1974/75, that is, at an annual rate of 2.1 per cent;

(e) Annual growth rate for government revenue of 11.9 per cent, to reach 887 million Sudanese pounds (LSd) at the end of the plan period;

(f) Increase in agricultural product by 77.3 per cent, that is, by LSd 103 million;

(g) Increase in the production of animal wealth by 75.5 per cent, that is, by LSd 55.4 million;

(h) Manufacture of new industrial products to meet domestic demand;

(i) Implementation of a large public investment programme to develop economic and social services;

(j) Increase of public investment by 60 per cent in education, 80 per cent in health and 58 per cent in public utilities;

(k) Development of the power network in rural and urban areas;

(l) Increase in exports and imports to achieve a surplus in both the balance of trade and the balance of payments;

(m) Expansion of cargo and passenger transportation capacity;

(n) Extension of the supply of potable water and an acceleration of projects designed to remedy water shortages;

(o) Priority in the development of the public and services sectors and establishment of co-operatives on a large scale, since they are deemed the correct approach for developing countries that have adopted planning to implement projects;

(p) Participation of private capital in vital conomic and social projects up to a limit of LSd 170 million;

(q) Full employment.

Strategy and policies

The cornerstone of the plan's strategy has been to diversify economic activity so that the dangers inherent in too great a dependence on cotton cultivation and exportation may be avoided.

In the field of agriculture and animal husbandry, policy has been oriented towards the extension and diversification of agricultural crops to meet domestic demand and to achieve a rapid increase in agricultural and animal product exports.

As regards industrial policy, the aim has been to emphasize the utilization of existing idle capacity in both the public and private sectors and to establish new import-substitution industries producing consumer goods, e.g. spinning and weaving, food and beverages, and other industries whose raw materials are available domestically.

Effects of the plan on the structure of the economy

The goal of the plan was to increase GDP from $1.6 billion in 1969/70 to $2.4 billion in 1974/75. The impact of the plan on the structure of the economy may be seen by comparing the percentage shares of the various economic sectors in the base year with their shares in the last year.

Table 81 indicates the impact of the plan on the structure of the economy. It should be noted that the agricultural sector was expected to continue to occupy the dominant position compared with other sectors of the economy, even increasing in importance by the end of the plan period.

Table 81. Sudan: Projected distribution of GDP (at factor cost), by economic sector, 1969/70 and 1974/75

	GDP, 1969/70		GDP, 1974/75		Average annual rate of growth (percentage)
Sector	Value (million LSd)	Share in total (percentage)	Value (million LSd)	Share in total (percentage)	
Agriculture	238.8	41.7	382.5	48.1	11.28
Industry	51.2	9.0	80.6	9.6	11.4
Construction	24.8	4.4	28.7	3.4	1.57
Transport and communications	34.0	6.0	51.8	6.2	10.47
Wholesale and retail trade	86.3	15.3	116.5	14.0	6.99
Other activities	132.6	23.4	155.8	18.7	3.56
Total	567.7	100.0	815.9	100.0	
Average					8.7

Source: Plan analysis tables.

The growth of the agricultural sector is in line with the plan's strategy of expanding and diversifying agricultural crops to meet domestic demand and of achieving a rapid increase in both agricultural and animal product exports. A goal of the plan was to expand the agricultural sector both vertically and horizontally and to cultivate new kinds of crops. To achieve these objectives, the necessary investment allocation for new irrigation projects were made.

Table 82 indicates projected production increases for major crops.

Table 82. Sudan: Projected increases in the production of major crops, 1969/70 and 1974/75

Crop	Production 1969/70	Production 1974/75	Increase (percentage)
	Thousand kantars[a/]		
Long-staple cotton	3 451	7 450	210.3
Medium-staple cotton	852	1 240	145.5
Short-staple cotton	262	412	119.8
	Thousand tons		
Sugar-cane	938	2 030	216.2
Maize	1 362	2 550	187.1
Rice	7.5	22	233.3

Source: IDCAS, Industrial Development Policies (IDCAS/MK/2/39/4/6).

a/ 1 Kantar = 44.928 kg.

It should be noted from table 82 that the production of crops such as long-staple cotton, sugar-cane and rice was projected to increase by more than 50 per cent during the period of the plan. The increase in sugar-cane cultivation would entail an expansion in the sugar industry, while long-staple cotton and rice would remain as cash crops.

Forestry is included in the agricultural sector. The plan envisaged greater exploitation of forests, by increasing tree planting in areas where water was available and by mechanization of the wood industry.

Great importance was also attached to animal wealth and, accordingly, a gaol was to increase pastures and provide fodder and veterinary services.

Table 83 indicates developments in animal wealth by the end of the plan period as compared with the base year.

Table 83. Sudan: Projected increases in the products of animal husbandry, 1969/70 and 1974/75

Product	1969/70	1974/75	Increase (percentage)
	Thousand tons		
Slaughtered animals	421	650	54
Milk	1 040	2 440	135
Wool	10.2	12.4	22
Fish	23.2	35	51
	Millions		
Eggs	500	700	40

Source: IDCAS, Industrial Development Plan (IDCAS/MK/39/4/6).

The industrial sector, as can be seen from table 81, has had the second highest rate of growth after agriculture, although its percentage share has varied only slightly. In addition to manufacturing, it comprises mining and electric power generation. The plan did not provide for any distribution of manufacturing products according to the major groups of industry, yet some idea may be gained of its development by ascertaining growth of *per capita* output in some branches and also by the output of major industrial goods.

Table 84 shows growth in the *per capita* output of some major groups of manufacturing industry, and table 85 shows the output of major industrial goods.

Table 84. Sudan: *Per capita* output for some manufactured commodities, 1969/70 and 1974/75

Commodity	Unit of measure	1969/70	1974/75
Cotton textiles	Metre	6.2	10.0
Foot-wear	Pair	0.8	1.0
Ready-made clothes and knitwear	Dollar	0.32	0.69
Sugar	Kilogram	6.5	7.4
Vegetable oils	Kilogram	4.6	9.5
Canned vegetables and fruits	Can	0.15	1.3

Source: IDCAS, Summaries of Industrial Development Plans of Six Arab Countries (IDCAS/US2/39/2/10).

Table 85. Sudan: Output of major industrial commodities, 1964/65, 1969/70 and 1974/75

Commodity	Unit of measure	1964/65	1969/70	1974/75	1969/70 as percentage of 1964/75	1974/75 as percentage of 1969/70
Cement	Thousand tons	90.7	150	300	165.4	200
Oil products	Thousand tons	83.6	890	1 070	1 059.7	120.1
Lint cotton	Thousand tons	168.3	236	457	140.2	193
Cotton textiles	Million metres	36.4	91	180	250	197
Foot-wear	Million pairs	3.8	12	18	315.8	150
Soft leather	Thousand sq metres	114.0	210	1 150	184.2	547
Hard leather	Ton	156.0	170	2 300	109	1 353
Pickled skin	Thousand pieces	234.0	690	315	294.9	456.5
Ready-made clothes	Thousand dollars	1 223	2 239.4	4 593.6	183.1	205
Knitwear	Thousand dollars	1 048	2 756.2	7 464.6	263	2 708
Leather dyeing	Thousand dollars	-	301.5	430.6	-	142.8
Textile dyeing	Thousand dollars	-	706.8	861.3	-	113.2
Sugar	Thousand tons	16.6	80	130	481.9	162.5

Source: IDCAS, Summaries of Industrial Development Plans of Six Arab Countries (IDCAS/KS2/39/2/10).

It should be noted from table 85 that the production of textiles and clothes was projected to double during the plan period to satisfy domestic needs and to reduce imports. By 1974/75, foot-wear production was expected to increase to 18 million pairs, or 150 per cent over 1969/70. If the population – whose annual rate of growth is 28 per cent – had reached 17.6 million by 1974/75, projected production would have more than covered the needs of the population in that year and each person would have more than one pair of shoes every year. Since the foot-wear industry depends on the efficiency of the leather and tanning industries, the plan accorded a high priority to an expansion of its activities and to an increase in the productivity of public sector firms.

In line with the projected increase in the production of textiles and clothes, the objective of the plan was to double spinning and weaving output to reach 180 million metres at the end of the plan period.

With regard to the food industry, the aim was to provide the largest possible quantity of nutrients through improvements in the use of agricultural materials and animal resources in industry. Through available capacity, an output of 130,000 tons of sugar was expected in 1974/75 compared with 80,000 tons in the base year. Canning output was projected to increase by 290 per cent over the base year through providing production lines with new equipment, improving production techniques and increasing productivity.

As regards electric power, it was found necessary to redistribute – on a nation-wide basis – the power generated by the Roseires Dam. Hence, fuel imports required for power generation were expected to fall. The plan allocated LSd 14 million for electricity projects.

The mining sector was expected to benefit under the plan by the expansion of geological research. Table 86 gives mineral production during the plan period.

Table 86. Sudan: Mineral production, 1969/70–1974/75

Minerals	1969/70 (thousand tons)	1974/75 (thousand tons)	1974/75 as percentage of 1969/70
Iron-ore	26	100	384.6
Manganese ore	3	7.5	250.0
Chromite	29	74.0	255.2
Salt	71	178.0	250.7
Gypsum	10	25	250.0
Magnesite	4	10	250.0

Source: IDCAS, Summaries of Industrial Development Plans of Six Arab Countries (IDCAS/KS2/39/2/10).

Total investment allocations under the plan amounted to $1.1 billion. Table 87 gives the distribution of investment between the public and private sector and the comparative figures of the previous plan.

Table 87. Sudan: Investment of public and private sectors, 1965/66-1969/70 and 1970/71-1974/75

	Investment, 1965/66-1969/70 (A)		Investment, 1970/71-1974/75 (B)		
Sector	Value (million dollars)	Share in total (percentage)	Value (million dollars)	Share in total (percentage)	B as percentage of A
Public	395.5	52	574.4	54	145
Private	361.3	48	488.2	46	135
Total	756.8	100	1 062.6	100	
Average					140

Source: IDCAS, Summaries of Industrial Development plans of Six Arab Countries (IDCAS/KS2/39/2/10).

It should be noted that the percentage share of investment of the public sector under the 1970/71-1974/75 plan rose slightly compared with the previous plan. In general, total investment increased by 40 per cent. Tables 88 and 89 indicate the distribution of investment among various economic activities for both the public and private sectors under the 1970/71-1974/75 plan as well as under the previous plan.

Table 88. Sudan: Private investment, by economic sector, 1965/66-1969/70 and 1970/71-1974/75

	Investment, 1965/66-1969/70		Investment, 1970/71-1974/75	
	Value (million dollars)	Share in total (percentage)	Value (million dollars)	Share in total (percentage)
Agriculture	36.8	10.1	76.1	15.6
Industry	50.8	13.9	68.9	14.1
Housing	203.3	55.5	226.3	46.4
Road transport	64.0	17.5	89.0	18.2
Education	2.0	0.6	20.7	4.2
Health	4.3	1.2	5.2	1.1
Other activities	4.3	1.2	2.0	0.4
Total	365.5	100.0	488.2	100.0

Source: IDCAS, Summaries of Industrial Development Plans of Six Arab Countries (IDCAS/KS2/39/2/10).

It may be noted from table 88 that almost half of the private investment was directed to housing, although its share fell slightly under the later plan. The industrial sector's percentage share of investment under the later plan remained as under the previous plan, although investment in this sector increased under the later plan by 36 per cent. It should also be noted that private investment in agriculture was expected to increase, and hence its share would rise from 10.1 per cent to 15.6 per cent.

Table 89. Sudan: Public investment, by economic sector, 1965/66-1969/70 and 1970/71-1974/75

Sector	Investment, 1965/66-1969/70		Investment, 1970/71-1974/75	
	Value (million dollars)	Share in total (percentage)	Value (million dollars)	Share in total (percentage)
Agriculture	137.6	34.8	220.1	38.3
Industry	25.3	6.4	75.8	13.2
Power	35.9	9.0	36.8	6.4
Transport and communications	69.5	17.6	85.1	14.8
Education and culture	24.1	6.1	41.9	7.3
Health	13.2	3.4	24.1	4.2
Public utilities	24.1	6.1	37.4	6.61
Halfa resettlement	12.9	3.3	-	-
Central administration	15.5	4.0	18.5	3.2
Unallocated	-	-	6.6	1.1
Teohnical assistance and grants	37.3	9.3	28.1	4.9
Total	395.4	100.0	574.4 a/	100.0

Source: IDCAS, Summaries of Industrial Development plans of Six Arab Countries (IDCAS/KS2/39/2/10).

a/ Excluding United States loan of $43.1 million.

It may be noted that public investment allooated to industry under the later plan was 300 per cent higher than in the previous plan; accordingly, investment allocations to the industrial sector rose from 6.4 per cent to 13.2 per cent of total planned investment. It may also be noted that the shares of power and transport and communications in investment fell, although investment in power rose by 3 per cent and that in transport increased by 22 per cent. As regards agriculture, allocated investment was 60 per cent higher and its share increased slightly, by 3.5 per cent.

As regards other sectors, their shares were projected to vary only slightly from those under the previous plan.

Thirteen projects were expected to be implemented by the public sector during the plan period. The most important were: a new sugar plant for which an investment of LSd 12.26 million was allocated (LSd 9.13 million in foreign currency) and the daily productive capacity of which would be 400 tons; a fertilizer plant for which an investment of LSd 141.1 million (LSd 9.5 million in foreign currency) was projected and which was expected to have a daily output of 600 tons; a textile factory for which an investment was projected of LSd 20.6 million (of which LSd 1.646 million was in foreign currency) and the annual output of which was put at 18.8 million metres of different materials.

The projects that the private sector were to undertake numbered 14 in all; their total cost was put at LSd 23.255 million, of which LSd 15.148 million would be in foreign currency. One of the most important of these projects was a spinning, weaving and processing factory; the fixed assets of this factory were estimated at LSd 3.32 million of which LSd 1.946 million were in foreign currency. There was also a project to establish five factories for the production of fodder; the cost was projected at LSd 2.715 million. Another project was to establish grain mills at a cost of LSd 2.2 million.

Table 90 indicates how these investments were to be financed and gives comparative figures for the earlier plan.

Table 90. Sudan: Sources of investment finance, 1965/66-1969/70 and 1970/71-1974/75

	Investment, 1965/66-1970/71		Investment, 1970/71-1974/75	
Source of finance	Value (million dollars)	Share in total (percentage)	Value (million dollars)	Share in total (percentage)
Domestic	188.1	48	301.6	52
Foreign	207.4	52	272.8	48
Total	395.5	100	574.4	100

Source: IDCAS, Summaries of Industrial Development Plans of Six Arab Countries (IDCAS/KS2/39/2/10).

It may be noted from table 90 that both the later and earlier plans were largely dependent on outside sources for financing, although the contribution of these sources to the later plan fell slightly, by 4 per cent.

Employment

The increase in employment over the plan period was projected at 950,000 workers, of which 270,000 would be in urban areas and 680,000 in rural areas. Hence, the number of workers at the end of the plan period was expected to reach 9.57 million, and the ratio of employment to total population would be 54 per cent, which would be a rather substantial figure.

In order to prepare for such a high level of employment, it was deemed necessary in the plan to establish a Ministry of Labour and four training centres to provide factories with the various skills required. It was also felt necessary to implement training programmes within factories in the various sectors, in order to raise labour productivity. Accordingly, the funds needed for training in the various fields were allocated under the plan. Table 91 gives the number of workers at the end of the plan period and in the base year. Table 92 gives the number of trainees at the end of the plan period compared with the base year.

Table 91. Sudan: Number of workers, 1969/70 and 1974/75
(Thousands)

	1969/70		1974/75	
	Total	In production	Total	In production
Urban	9980	520	1 250	670
Rural	7 640	5 900	8 320	6 400
Total	8 620	6 420	9 570	7 070

Source: IDCAS, Summaries of Industrial Development Plans of Six Arab Countries (IDCAS/KS2/39/2/10).

Table 92. Sudan: Number of trainees, 1969/70 and 1974/75

Training area	1969/70	1974/75
Ministry of Labour	914	1 900
Sudan railways	140	225
Total	1 054	2 125

Source: IDCAS, Summaries of Industrial Development Plans of Six Arab Countries (IDCAS/KS2/39/2/10).

Measures for implementing the plan

The Ministry of Planning was to be reorganized since it was responsible for formulating and co-ordinating plan strategies and policies. The Minister of Planning is the Government's main economic adviser with five ministries under him, namely, the Ministries of the Treasury, Economy, Trade and Supply, Labour and Industry, and Mineral Resources. Four ministries handle matters relating to the agricultural sector, namely, the Ministries of Agriculture, Animal Wealth, Irrigation, and Development of Rural Areas.

Six ministries govern the services sector, namely, the Ministries of Local Government, Transport and Communications, Health, Education and Higher Education, Labour, and Housing.

The need was indicated by the plan for establishing a planning department in each ministry to assist the Ministry of Planning.

The staff of the planning departments need training in planning, whether they are employed in the ministries or in the public sector, since they are required to implement the plan in the ministries and departments responsible for development.

The implementation of the plan requires continuous review of the current year's objectives in respect of the entire economy, ministries, departments, companies, organizations, projects and the private sector. The objectives achieved in the preceding year are taken into consideration in implementing the current plan, and flexibility is exercised in adjusting annual objectives in view of the difficultues, bottle-necks and other obstacles encountered.

It should be noted that follow-up and control are most important requirements in implementing the plan. The Ministry of Planning provides government statistics and collects data relating to public, private and co-operative activities. Ministries, departments, companies and local councils ensure the implementation of the plan; reports on implementation can be submitted to the Government on appropriate dates.

XI. THE SYRIAN ARAB REPUBLIC

Characteristics of the national economy

In 1970, the population of the Syrian Arab Republic was 6.1 million or 5 per cent of the estimated total population of the Arab States in that year. The average annual population growth rate over the period 1960-1970 was 2.9 per cent. The population was expected to rise to 7 million by the mid-1970s. Urban inhabitants amounted to 37 per cent of the total population in 1970 and rural inhabitants amounted to 63 per cent. The age group of 15 years and above made up 54 per cent of the population. The illiteracy rate was 69 per cent. Employment in 1968 totalled 18 million persons, or 25 per cent of the population and 57 per cent of those above 15 years of age.

The area of the Syrian Arab Republic is 18.5 million ha. The country has the highest percentage of agricultural land (11.3 million ha or 61.3 per cent) by comparison with the rest of the Arab States. Traditional crops are grown on 5.6 million ha or 49.8 per cent of the land, while 47.9 per cent is permanent pastures or grazing fields. Only 2.3 per cent of the land is under permanent cultivation, since the country depends mainly on rainfall. However, the area covered by perennial irrigation is expected to increase when the Euphrates Dam is completed. Agricultural output is diversified. The output of major crops is given below.

Crop	Thousand tons
Barley	512
Maize	8
Rice	8
Sugar beets	124
Tomatoes	184
Grapes	213
Olives	112
Cotton	142
Cotton seed	244
Sesame seed	8.3

Agricultural produce in the Syrian Arab Republic is expected to increase by 75 per cent when the Euphrates Dam is finished, along with the irrigation and land reclamation projects attached to it.

Syrian wealth in livestock as a percentage of the total for Arab States is: cows and buffaloes (2.2 per cent), sheep and goats (5.5 per cent), camels (6 per cent), and poultry (3.5 per cent).

The country is making efforts to develop its natural resources. Its petroleum output in 1970 reached 6 million tons, or 0.7 per cent of the total output of the Arab States and 0.23 per cent of world output. Proved petroleum reserves amount to 7.2 million tons, or 1.1 per cent of world proved reserves and 1.9 per cent of Arab reserves.

The country is also rich in other raw materials such as phosphates, salt and manganese.

Installed electric capacity in 1970 was put at 270,000 kW, producing about 1,180 million kWh annually; 75 per cent of this came from thermal stations and the rest from hydroelectric stations. The Euphrates Dam is expected to produce 8,100 million kWh at the 300-metre level, and an additional 2,100 million kWh at the 320-metre level.

The GNP in 1970 amounted to $1.7 billion (at market prices), or 4.9 per cent of the GNP of the Arab States in the same year. Per capita GNP in that year was $290 compared with $590 in Lebanon, $250 in Jordan, and $320 in Iraq. An average annual growth rate of GNP of 3.7 per cent was realized over the period 1963-1968, and an annual average growth rate of GNP was 5 per cent over the previous plan period (1966-1970) at constant prices of 1965.

Table 93 shows the shares of the economic sectors in GDP and employment.

Table 93. Syrian Arab Republic: Distribution of GDP and employment, by economic sector, 1968
(Percentage)

Sector	GDP	Employment
Agriculture	23	61.5
Manufacturing industry	17	8.6
Other industries	1	0.9
Construction	3	3.2
Transport and communications	11	2.4
Wholesale and retail trade	17	6.9
Other activities	28	16.5
Total	100	100.0

Source: Background data tables.

Table 93 indicates that agriculture was the largest sector in terms of output (23 per cent) and of employment (61.5 per cent). The industrial sector contributed 18 per cent of the GDP, although it engaged only 9.5 per cent of the employed. Table 94 gives the shares of major groups of manufacturing in the industrial sector.

Table 94. Syrian Arab Republic: Share of major groups of manufacturing in total manufacturing output, 1968
(Percentage)

Major group	Share in manufacturing output
Food, beverages and tobacco	29.5
Spinning, textiles, ready-made clothes, leather goods	37.4
Wood, wood products and furniture	4.7
Paper, printing and publishing	1.1
Chemicals, including petroleum, coal, rubber	10.8
Non-metallic minerals	6.3
Basic metals	1.2
Metallurgy, tools and machines, electrical appliances	7.4
Other industries	1.1
Total	100.0

Source: Background data tables.

Table 94 indicates that spinning, weaving, ready-made clothes and leather goods had the largest share in manufacturing output in 1968, followed by foodstuffs, chemicals, metallurgy, machines and equipment, non-metallic minerals, wood and its by-products, and paper and other manufacturing industries.

The basic metal industries had the highest rate of growth between 1963 and 1968, with an average annual rate of 88 per cent.

The economy of the Syrian Arab Republic is characterized by low local savings, which amounted to only 9.5 per cent of GDP during the previous five-year plan (1966-1970). The annual average growth rate of fixed investment relative to gross local product reached 150 per cent over the same period. This reflects the country's dependence on foreign loans to finance a significant part of its investment. The public sector undertook over 60 per cent of the total investment under the previous plan, thus indicating the prominent role of the public sector in the national economy.

Foreign reserves from 1967 to 1971 averaged annually $68.6 million in gold and foreign currency, in addition to $97.4 million deposits in commercial banks.

The Syrian economy depends heavily on foreign trade. The share of exports in GDP averaged 22 per cent over the period 1966-1970; the average share of imports for the same period was 28 per cent.

Despite the increasing value of Syrian exports in recent years, there is still a continuous deficit in the balance of trade, owing to the increase in imports at rates far above the growth of exports.

The country's chief exports are raw materials, ranging between 70-80 per cent of total exports. Manufactured goods make up between 7 per cent and 23 per cent and semi-manufactured goods between 5 per cent and 12 per cent of total exports.

Imports over the period 1967-1969 were divided as follows: capital goods (22.6 per cent), intermediate goods (53.9 per cent), and consumer goods (23.5 per cent).

Tables 95 and 96 show the structure of Syrian exports and imports.

Table 95. Syrian Arab Republic: Structure of exports, 1967-1969
(Annual averages)

Item	Value (million LS)	Share in total (percentage)
Agricultural products	315.7	48.1
Livestock	48.7	7.4
Industrial products	32.0	5.0
Petroleum and its by-products	39.3	5.9
Phosphates and salt	-	-
Other exports	219.7	33.5
Total	655.4	100.0

Source: Background data tables.

Table 96. Syrian Arab Republic: Structure of imports, 1967-1969
(Annual averages)

Item	Value (million LS)	Share in total (percentage)
Foodstuffs and livestock	218	18.0
Medicine	50	4.2
Combustibles	124	10.0
Chemicals, wood, paper	99	8.3
Fibres, spinning, weaving	118	9.8
Transport and communications equipment	478	40.0
Other imports	117	9.7
Total	1 204	100.0

Source: Background data tables.

According to 1969 statistics, the bulk of Syrian foreign trade was directed to the centrally planned economies, followed by the EEC countries, the Arab States that are not members of the Arab Common Market, the Arab Common Market countries, followed by the West European countries. The United States ranked last.

The Syrian Arab Republic had a deficit balance of trade with all of these economic groupings, except the Arab States that are not members of the Arab Common Market, as may be seen from table 97.

Table 97. Syrian Arab Republic: Geographical distribution of foreign trade, 1969

Countries	Exports		Imports	
	Value (million LS)	Share in total (percentage)	Value (million LS)	Share in total (percentage)
Arab Common Market countries	111.9	14.2	123.2	8.7
Other Arab countries	133.3	16.9	75.8	5.3
EEC countries	141.8	18.0	371.7	26.3
Other West European countries	52.5	6.7	192.4	13.2
Centrally planned economies	297.3	36.6	473.2	31.0
United States	5.1	1.6	66.9	4.5
Diverse countries	47.9	6.0	143.8	11.0
Total	789.8	100.0	1 447.0	100.0

Source: Background data tables.

The five-year plan for socio-economic development (1971-1975)

Objectives

The five-year plan (1971-1975) had the following objectives:

(a) To achieve socio-economic development within the context of the integrated socialist State;

(b) To achieve a net increase in GDP of 8.2 per cent annually in order to double the national income within a period of nine years;

(c) To implement the Euphrates project and to develop the lands coming under its irrigation scheme, as well as to introduce mechanization and complete co-operative systems in the agricultural sector;

(d) To set up industries that encourage utilizing the domestic natural and agricultural resources, with emphasis on the manufacture of production means and on selecting the most suitable size for the industrial units, together with improving and developing the existing industries and co-ordinating their activities;

(e) To give attention to oil prospecting, developing the existing oil fields, increasing the capacity of taplines, expanding the refinery of local raw materials, setting up ancillary industries around refineries, together with enlarging the storage capacity of oil products;

(f) To utilize the country's geographical position by developing international means of communications, encouraging transit trade, and transporting oil from the Arab Gulf to the Mediterranean;

(g) To give attention to the rural countryside, by providing the basic services and utilities and by spreading rural industries in order to increase job opportunities and thus curb rural migration to the cities;

(h) To diversify and increase manufactured export goods, limit unnecessary imports in order to reduce the deficit in the trade balance and develop economic relations with the Arab States and other countries;

(i) To increase electricity output while reducing production costs and ensuring its distribution;

(j) To organize wholesale trade at home, giving a larger role to co-operative trade as a reserve of the public sector with a price system that would stimulate economic activity;

(k) To raise the standard of health and cultural services, social welfare and housing;

(l) To keep pace with scientific and technological progress and to expand education and training;

(m) To increase the number of employees engaged in all sectors by 5.5 per cent annually, together with raising the productive capacity of the worker by 3.3 per cent annually.

Effects of the plan on the structure of the economy

Table 98 gives the over-all quantitative objectives of the plan.

Table 98. Syrian Arab Republic: Objectives of the third five-year plan (1971-1975)

GDP, 1970 (billion LS, at current prices):	5.9
GDP, 1975 (billion LS, at 1970 prices):	8.8
GDP, 1971-1975 (billion LS):	37.7
Average annual growth rate of GDP (percentage):	8.2
Per capita GDP, 1970 (LS):	982
Per capita GDP, 1975 (LS):	1 245
Average annual growth rate of *per capita* GDP (percentage):	4.9
Gross fixed domestic investment, 1971-1975 (billion LS):	7.9
Share of fixed domestic investment in GDP, 1971-1975 (percentage)	23.1
Increase in employment (percentage):	36

Source: The five-year plan for socio-economic development (1971-1975).

The gross domestic investment envisaged by the plan amounted to about LS 7.9 billion, to be provided largely by local savings since the plan sought to raise the percentage of savings to GDP from 9.8 per cent under the previous plan to not less than 18 per cent during the later plan.

Table 99 gives the share of the various economic sectors in total investment and in GDP, and the growth rates sought for these sectors.

Table 99. Syrian Arab Republic: Share of economic sectors in investment and GDP, and the target growth rate of these sectors, 1970-1975
(Percentage)

Sector	Share in gross investment	Share in GDP at factor cost		Average annual growth rate	
		1970	1975	Compound	Simple
Agriculture	31.5	22.5	19.5	5.1	5.6
Manufacturing and other industries	33.2	19.5	27.3	15.8	21.6
Construction	...	3.6	4.1	11.5	17.3
Transport and communications	11.1	10.5	11.3	9.8	11.9
Trade	1.8	14.5	11.6	3.4	3.6
Other activities	24.2	29.4	26.2	5.8	6.7
Total	100.0	100.0	100.0		
Average				8.2	9.6

Source: The five-year plan for socio-economic development (1971-1975).

Table 99 reveals that manufacturing and other industries had the lion's share of investment: 33.2 per cent. The aim was to increase the share of the industrial sector in GDP from 19.5 per cent at the beginning of the plan to 27.3 per cent by its end. The highest growth rate was sought for the industrial sector, an average of 21.6 per cent annually. The table also emphasizes the attention given to the development and modernization of the agricultural sector, which had a 31.5 per cent share in the anticipated fixed investment, most of which was to be directed towards setting up a developed irrigation and drainage network and towards enlarging the area of permanent agricultural land.

Table 100 gives the share of major groups of manufacturing industry in investment.

Table 100. Syrian Arab Republic: Distribution of investment, by major group of manufacturing, 1971-1975 (Percentage)

Major group	Share in total
Food, beverages and tobacco	17.5
Spinning, textiles, ready-made clothes, leather goods	28.5
Wood and wood products (including furniture)	0.1
Paper and paper products, printing, publishing	0.1
Chemicals, including petroleum and coal	15.6
Non-metallic mineral products (building materials, glass)	7.1
Basic metals	1.9
Metal products, tools, machines and electrical appliances	19.2
Other manufactures	...
Total	100.0

Source: The five-year plan for socio-economic development (1971-1975).

Table 100 shows the importance given to developing the textile, ready-made clothes and leather goods industries, followed by metal products, machines and tools, foodstuffs, chemicals, building materials, paper and wood and wood by-products.

There were 135 projects that were to be implemented under the plan, distributed among the various major groups of the manufacturing industry. As regards foodstuffs, flour mills and tobacco and cigarette plants were to be expanded. A large expansion was planned in cotton spinning and weaving and the manufacture of local wool products. In the chemical industries, emphasis was placed on the production of nitrogen fertilizers, as well as on renovating and developing existing industries and on utilizing the petroleum wealth for which over LS 240 million were allocated. The cement industry was also to be expanded; four cement plants were to be built with investments totalling LS 200 million. A glass factory was to be developed at a cost of LS 24 million. The production of tractors and machines had priority in projects for the metal industry, with a total investment of LS 97 million.

The plan sought to increase the over-all number of workers from 1.5 million in 1970 to 2.4 million in 1975, distributed among the various sectors as shown in table 101.

Table 101. Syrian Arab Republic: Distribution of employment, by economic sector, 1970-1975
(Thousands)

Sector	1970		1975		Average annual growth rate
	Number of workers	Share in total (percentage)	Number of workers	Share in total (percentage)	
Agriculture	1 126	60	1 294	56.0	4.4
Manufacturing industry, other industries	226	12	368	15.0	10.2
Construction	79	4.2	122	4.9	9.0
Transport	68	3.6	102	4.1	8.5
Trade	140	7.4	164	6.7	4.2
Other sectors	247	13.1	315	13.0	5.0
Total	1 886	100.0	2 365	100.0	
Average					5.5

Source: International Planning Authority.

Table 101 shows that the agricultural sector was ahead in terms of the number of workers employed, but the share of employment in this sector was expected to drop from 60 per cent in 1970 to 56 per cent by 1975. At the same time, a rise was expected in the number of workers engaged in the industrial sector (manufacturing and other industries), from 12 per cent at the beginning of the plan to 15 per cent by the final year, at a 10.2 per cent annual average growth rate.

According to the 1971-1975 plan, compared to the previous plan, the public and government sectors would have greater shares in investment; the rate is shown in table 102.

Table 102. Syrian Arab Republic: Share of the public and private sectors in investment, 1966-1970 and 1971-1975
(Percentage)

Sector	Share of investment 1966-1970	Share of investment 1971-1975
Government and public	66	81
Private	34	19
Total	100	100

Source: The five-year plan for socio-economic development (1971-1975).

The goal of the plan was to increase internal financing compared with the previous plan. The total domestic savings were expected to reach about 84.5 per cent of the gross domestic fixed investment, compared with only 77 per cent under the previous plan.

Table 103 shows the contribution of the various sectors to domestic savings.

Table 103. Syrian Arab Republic: Source of savings
(Percentage)

Sector	Share in savings
Government	7
Public	66.2
Household	26.8
Total	100.0

Source: The five-year plan for socio-economic development (1971-1975).

Table 104 shows the expected development rates in foreign trade under the 1971-1975 plan compared with the previous plan (1966-1970). Priority was given to the importation of machinery, equipment and spare parts, and also to developing the exportation of gas oil, petroleum and its by-products, phosphates and table salt.

Table 104. Syrian Arab Republic: Expected growth rates in foreign trade under the 1971-1975 plan compared with rates under the previous plan
(Percentage)

Item	Average growth rate, 1966-1970	Average growth rate, 1971-1975
Exports	6.1	10.2
Imports	13.1	5.6
Invisible exports	-	1.3
Invisible imports	-	3.2

Source: The five-year plan for socio-economic development (1971-1975).

The aim was also to reduce the deficit in the balance of current transactions from LS 305 million at the beginning of the plan to LS 273 million by the end of it, so that the over-all deficit during the plan would not exceed LS 1,460 million. The trade balance is shown in table 105.

Table 105. Syrian Arab Republic: Trade balance estimates for goods and services, 1970-1975
(Million LS)

Item	1970	1971	1972	1973	1974	1975
Exports	1 235	1 315	1 400	1 492	1 588	1 692
Goods	840	915	995	1 082	1 173	1 270
Services	395	400	405	410	415	422
Imports	1 540	1 617	1 699	1 783	1 873	1 965
Goods	1 385	1 457	1 534	1 613	1 698	1 785
Services	155	160	165	170	175	180
Deficit in commodity trade balance	545	542	539	531	525	515
Deficit in balance of goods and services	305	302	299	291	285	273

Source: The five-year plan for socio-economic development (1971-1975).

Table 106 shows the planned growth of exports under the plan.

Table 106. Syrian Arab Republic: Projected growth of exports, 1970-1975

Item	Exports, 1970		Exports, 1975	
	Value (million LS)	Share in total (percentage)	Value (million LS)	Share in total (percentage)
Agricultural products	373	44	413	32.4
Livestock	50	6	70	5.5
Industrial products	60	7	151	11.9
Petroleum and its by-products	125	15	333	26.5
Phosphates and table salt	-	-	81	6.4
Other exports	232	28	221	17.4
Total	840	100	1 269	100.0

Source: The five-year plan for socio-economic development (1971-1975).

Table 106 shows the trend towards increasing the share of petroleum and its by-products in total exports, from 15 per cent in the base year to 26.5 per cent in the final year, and towards increasing the export of industrial products from 7 per cent in 1970 to 11.9 per cent in 1975. There was also a trend to export phosphates and table salt.

Table 107 shows the trend to reduce imports in chemicals, wood, rubber, fibres, weaving and spinning in order to expand the production of import-substitute goods in these fields.

Table 107. Syrian Arab Republic: Targets for imports under the plan

Item	Imports, 1970		Imports, 1975	
	Value (million LS)	Share in total (percentage)	Value (million LS)	Share in total (percentage)
Foodstuffs and livestock	237	18.0	303	17.0
Medicines	55	4.1	77	4.3
Combustibles	110	7.9	60	3.4
Chemicals, wood, rubber	130	9.4	150	8.4
Fibres, spinning and weaving	131	9.5	138	7.7
Metals, transport units, and machines	601	43.5	886	50.0
Other imports	121	8.7	171	9.2
Total	1 385	100.0	1 785	100.0

Source: The five-year plan for socio-economic development (1971-1975).

Measures for implementing the plan

The policies and measures envisaged for implementing the plan were:

(a) To reorganize the state administrative body in a manner that would guarantee meeting the requirements for socio-economic development, abolish routine, and do away with the partial unemployment in government agencies;

(b) To revise the salary and wage scales in the State, as well as daily wages, and to link them with production, together with establishing a system of incentives that would attract and develop experience, encourage specialization and increase productivity;

(c) To establish incentives for implementing scientific and laboratory research, and for encouraging inventions and their application to production operations;

(d) To expand the policy of delegating authority among all categories participating in the socio-economic development process;

(e) To apply economic accounting and cost systems to evaluating costs, and to introduce the restrictions system among the various economic establishments, together with utilizing modern means of collecting information and data;

(f) To give material and token rewards to economic establishments that either exceeded the surplus planned for them, reduced production costs or completed their projects before schedule;

(g) To reinforce planning and statistics agencies in the ministries, departments, and authorities undertaking the plan, as well as to strengthen monitoring and supervisory bodies;

(h) To give attention to financial planning;

(i) To simplify legal procedures concerned with finance, accounting, and preparing and implementing development contracts;

(j) To apply the principle of personal responsibility in all production projects;

(k) To review the efficiency of the bodies supervising the implementation of development projects;

(l) To encourage work in remote areas;

(m) To expand the employment of graduates from industrial, agricultural, technical and vocational training institutes and schools;

(n) To make maximum use of the economic, scientific, technical and cultural co-operation agreements in order to guarantee the requirements of the plan;

(o) To expand banking services and develop an awareness of savings, and to increase the effectiveness of post-office and other savings;

(p) To set up a public organization to stimulate and strengthen exports and conclude long-term trade agreements;

(q) To develop the transport and shipping sector and give special attention to tourist establishments.

XII. TUNISIA

Characteristics of the national economy

The population of Tunisia was 5.1 million in 1970, or about 4 per cent of the estimated total population of the Arab countries. The average rate of population growth in the period 1960-1970 was 3 per cent. The population was expected to reach 5.9 million in 1975 and 6.9 million in 1980. According to the 1966 census, the number of those above 15 years of age was about 53.7 per cent of the total population; urban population made up 93.9 per cent of total population and rural population, 56.1 per cent. Illiteracy among those aged 15 and above was estimated at 75.6 per cent. Employment in 1966 amounted to 1 million, or nearly 22 per cent of the population and 41.1 per cent of those aged 15 and over. Table 108 gives the distribution of employment among the various economic sectors in 1966.

Table 108. Tunisia: Distribution of employment, by economic sector, 1966
(Percentage)

Sector		Share in total
Agriculture		41.0
Manufacturing		9.5
Other industries		3.8
Construction		5.4
Transport and communications		3.5
Trade		6.7
Other sectors		30.1
	Total	100.0

Source: Background tables, statistical appendix.

The total area of Tunisia is estimated at 16.5 million ha, including 7.8 million ha of agricultural land or nearly 47.3 per cent of the total area. The agricultural land is divided into 4.6 million ha (or 58.1 per cent) that are cultivated with seasonal crops and 3.3 million ha (or 41.9 per cent) that are permanent pastures. Forests cover an area of about 1.2 million ha or 7.5 per cent of the total area.

The main agricultural crops in Tunisia in 1968 were olives (275,000 tons), grapes (142,000 tons), barley (130,000 tons), tomatoes (95,000 tons), dates (60,000 tons), beet-roots (40,000 tons), maize (4,000 tons) and flaxseed (3,000 tons). Agriculture and fisheries contributed 12.1 per cent to the annual increase in GDP, and industry and the services sector contributed 34.7 per cent and 33.2 per cent respectively.

In 1972, Tunisia produced 410,000 tons of crude oil and 9 million tons of natural gas, which represented a tiny share of world and Arab production and reserves. Tunisia has large amounts of phosphates; production amounted to 3,361 tons in 1968 or 4 per cent of the world production in that year. The country also produced 554,000 tons of iron-ore, 14,900 tons of lead, 355,000 tons of salt and 3,900 tons of zinc. GNP at market prices in 1970 amounted to more than $1,270 million or about 3.5 per cent of the combined GNP of the Arab countries. Per capita GNP in the same year amounted to $250 of which the contribution of industry was $30.

GDP in Tunisia differs from GNP owing to the volume of transfers abroad. The ratio of GNP to GDP at factor cost amounted to about 93.4 per cent in 1968. The third four-year plan (1969-1972) brought about a structural change in the agricultural, manufacturing, other industries and construction sectors. The share of these sectors in domestic production increased from 44.2 per cent in 1968 to 47.1 per cent in 1972 with a corresponding decrease in the shares of the distribution and services sectors, from 55.8 per cent in 1968 to 52.9 per cent in 1972.

The major change in the agricultural and manufacturing sector was a result of the greater emphasis placed on agriculture; its share in domestic production increased from 19.3 per cent in 1968 to 21.5 per cent in 1972. The share of manufacturing industries also rose from 9.5 per cent to 10.5 per cent, whereas other industries (mining, energy, water and electricity) rose from 7.6 per cent to 7.9 per cent in the same period.

In general, the share of services sectors (excluding the agricultural sector) in the national product, employment and investment has been greater that that of the commodity sectors. This tendency, however, became less evident at the end of the period owing to the planned year-by-year efforts to give more importance to commodity sectors (excluding the agricultural sector) in production, investment and employment. The increasing rates of growth in the sizes of GNP, employment and investment in the agricultural, manufacturing and other industries sectors reflects the planned effort to increase the shares of the commodity sectors within the industrial sector.

The leading branches of manufacturing industry in the period 1969-1972 in terms of their shares of total manufacturing output, compared with the figures for 1968, were: food, beverages and tobacco industries (from 43.9 per cent in 1968 to 42.8 per cent in 1972), textiles and ready-made clothes (from 13.7 per cent in 1968 to 19.2 per cent in 1972), mechanical industries (from 13.2 to 13.3 per cent), metal products industries (from 9.1 to 6.8 per cent) paper products (from 6.9 to 5.8 per cent), wood industries (from 3.5 to 3.2 per cent), chemicals and chemical products (coals, rubber and plastics) (from 1.1 to 9 per cent).

The Tunisian economy is characterized by the increasing ratio of investment to GDP, from an annual rate of 7 per cent in the beginning of the 1960s to an annual average of 23.3 per cent during the third four-year plan (1969-1972). The rate of domestic savings increased from about 6.9 per cent in the beginning of the 1960s to 19.9 per cent under the third four-year plan. The ratio of domestic savings to investment increased from 60 per cent in the beginning of the 1960s to about 80 per cent in the third four-year plan, thus indicating that a strict policy was followed during the last decade in order that _per capita_ consumption should remain nearly unchanged. Tunisia accumulated reserves in the period 1967-1971 of $4.4 million in gold and $59.2 million in foreign currency; in addition the foreign assets of commercial banks amounted to $10.2 million and special drawing rights to $0.4 million.

The Tunisian economy depends largely on foreign trade. The average annual exports in the third four-year plan amounted to 22.7 per cent of GDP at factor cost, and imports amounted to 24 per cent. Exports consist mainly of olive oil, grains, oil, fertilizers and phosphates; imports consist mainly of raw materials (67 per cent in 1971) and foodstuffs (13 per cent in 1971).

In this period, the European markets absorbed about 54.9 per cent of Tunisian exports; the United States of America 1.1 per cent; countries with which Tunisia had concluded agreements 13.2 per cent; the Maghrib countries (Algeria and Morocco) 12.6 per cent; and other countries 18.2 per cent. On the other hand, 54.6 per cent of imports came from European markets, 17.8 per cent from the United States, 8.6 per cent from the countries with agreements, 1.1 per cent from the Maghrib countries, and 17.9 per cent from other countries.

The share of the public sector in total investment during the third four-year plan amounted to 66.8 per cent. Of this, the share of government agencies was 30.2 per cent of gross domestic investment.

The aim of the third four-year plan (1969-1972) to provide 220,000 new job opportunities was not realized. The capital/output ratio was high; it reached 3.9:1 in non-agricultural sectors, owing to the fact that investment, which represented about 23 per cent of GDP, far exceeded organizational capacities in terms of skilled labour and technical personnel for the execution and follow-up of projects. Accordingly, the investment did not have the expected returns.

The fourth development plan (1973-1976)

General Objectives

The main goals of the fourth development plan are:

(a) To spur the growth of the national economy in all sectors as a pre-condition for realizing social aims;

(b) To create new industrial activities to provide new job opportunities, new sources of foreign currency and new incomes;

(c) To solve employment problems gradually and to find suitable methods of controlling population growth and of linking education and training to the plan requirements;

(d) To support the financial potential of the country by encouraging domestic savings and by keeping foreign loans within acceptable limits.

To achieve the above objectives the plan proposes:

(a) To increase GDP (at factor cost and 1973 prices) by 6.6 per cent annually;

(b) To enhance the country's capacity to invest by providing 1,194.2 million Tunisian dinars (D) for domestic investment, that is, D 300 million annually compared with D 167 million under the previous four-year plan;

(c) To finance these investments basically from national savings. The goal is to provide domestic savings of about D 945 million during the plan period compared with D 574 in the former plan, that is, an increase in domestic savings of 65 per cent, while at the same time keeping the percentage of foreign finance at the same level of the previous plan;

GDP in the base year at factor cost: D 894.8 million

GDP projected for the last year of the plan: D 1,176.6 million

Increase projected in GDP: 31.4 per cent

Average projected growth rates (compound): 6.6 per cent

Total investment projected during the plan period: D 1,194.2 million

Ratio of investment to GDP: 28.4 per cent

Total projected domestic savings: D 945.2 million

Ratio of domestic savings to gross investment: 79 per cent

Ratio of domestic savings to GDP: 22.5 per cent

Projected increase in employment: 8.6 per cent

It is expected that the *per capita* share of total domestic product at factor cost will rise to about 5.1 per cent annually, which will be reflected in an increase in the *per capita* share of manufacturing industries of from D 16.9 to D 24.6 in the same period, or an equivalent of 11.4 per cent per annum.

Table 109 gives an idea of the projected structural changes in the economy of Tunisia according to the plan.

Table 109. Tunisia: Projected structural changes in the economy, 1973-1976 (Percentage)

Sector	Share in investment	Share in GDP 1972	Share in GDP 1976	Average annual growth rate of output	Average annual growth rate of employment
Agriculture	14.9	21.5	18.4	3.0	-
Manufacturing	13.2	10.4	12.3	10.6	6.0
Other industries	18.8	7.9	7.9	7.0	0.7
Construction	-	7.3	8.7	14.2	8.5
Transport and communications	16.4	6.4	6.7	8.7	3.6
Wholesale and retail trade	1.5	13.9	14.8	8.0	2.1
Other	35.2	32.6	31.2	6.0	5.0
Total	100.0	100.0	100.0		
Average				6.6	2.15

Source: The fourth four-year plan (1973-1976).

The table shows the increased emphasis given to the agricultural sector, which is expected to account for 14.9 per cent of total investment or almost the same percentage realized under the prior plan. The table also indicates an increasing interest in manufacturing industries, which account for 13.2 per cent of total investment compared with 11.6 per cent under the prior plan.

Other industries account for 18.8 per cent of total investment compared with 20 per cent under the prior plan; transport and communications for 16.4 per cent compared with 15.4 per cent; trade for 1.5 per cent compared with 2.4 per cent; and other activities for 35.2 per cent compared with 35.7 per cent in the earlier plan. The shares of the commodity sectors (agriculture, manufacturing industries, other industries and construction) in GDP estimated at factor cost will rise from 46.1 to 47.3 per cent despite the low rate of growth of the agricultural sector, which amounts to an average of only 3 per cent annually. This low rate is basically the result of a decrease in agricultural output. The shares of other commodity sectors are increasing as a result of an increase in productivity; the capital output/ratio in non-agricultural sectors became 2.4:1 compared with 3.9:1 in the previous plan. The static rate of growth of other industries is a result mainly of a deterioration in the mining sector, for the following reasons:

(a) A decrease in main ores, namely iron and phosphates;

(b) Financial problems which limit the investment capacity of some mining enterprises;

(c) High production costs owing to the small size of production units and small metal components of some products;

(d) The scarcity of skilled labour which results in lower productivity.

Table 110 shows the percentage distribution of investment among government, public and private sectors in both present and previous plans.

(d) To create about 120,000 new job opportunities in non-agricultural sectors to meet the increase in population;

(e) To help the manufacturing sector to achieve a rate of growth amounting to 15 per cent annually so that it may contribute 34 per cent of the job opportunities and 27 per cent of the country's export revenues;

(f) To increase exports by 8 per cent annually, which would mean increasing exports by 55 per cent above the level maintained during the third plan; and to increase imports by 13.5 per cent annually to meet the country's requirements for intermediate and capital goods and raw materials. This would amount to an 80.4 per cent increase in imports above the level achieved in the third plan;

(g) To eliminate discrepancies among different sectors;

(h) To redistribute national income in the interest of the poorer people.

Aims of the industrial plan

The aims of the plan for industry are:

(a) To increase value added (at 1972 prices) by an average of 10.6 per cent annually, and to increase the share of the industrial sector in GDP by 18.3 per cent;

(b) To export industrial commodities equal to D 404.4 million, which would account for 30.9 per cent of the total exports, in order to increase the contribution of the manufacturing industries to the expected rise of exports by 33.3 per cent;

(c) To allocate about 13.4 per cent or D 160.2 million of total investment to the industrial sector;

(d) To offer 40,800 new jobs, that is, 34.3 per cent of the expected job opportunities.

The national development plan was put into effect in 1973. The following figures show some basic objectives for income, investment, employment and saving:

Table 110. Tunisia: Distribution of investment, by sector, 1969-1972 and 1973-1976 (Percentage)

Sector	1969-1972	1973-1976
Government	30.2	23.9
Public sector	36.6	35.3
Private sector (including family sector)	33.2	40.8
Total	100.0	100.0

Source: The fourth four-year plan (1973-1976).

Table 110 shows the importance of the private sector in investment. Although the public sector had made the major investment because that of the private sector was insufficient, the fourth plan is designed to encourage the private sector to invest more, so that the State's responsibilities would be directed towards the organization and activation of production factors in the form of wage and price policies, loan taxes, savings and the like.

Table 111 indicates the plan's financial resources.

Table 111. Tunisia: Sources of finance (Percentage)

	Contribution to total domestic savings	
Sector	1969-1972	1973-1976
Government	20.6	25.7
Household	24.7	28.0
Business[a/]	54.3	46.3
Total	100.0	100.0

Source: The fourth four-year plan (1973-1976).

a/ Including savings of both public and private organizations together with that of financial institutions.

The percentage of national savings to gross domestic fixed investment decreased from 80.5 per cent in the earlier plan (1969-1972) to 79 per cent in the present plan. At the same time the percentage of domestic savings to GDP increased from 19.9 per cent in the prior plan to 22.5 per cent in the present plan. Table 112 shows the structural changes projected for the manufacturing sector under the present plan.

Table 112. Tunisia: Projected structural changes in major groups of manufacturing, 1973-1976
(Percentage)

Major group	Share in manufacturing investment	Share in manufacturing output		Projected annual average growth rate
		1972	1973	
Food, beverages and tobacco	18.1	42.8	21.9	-4.7
Textiles, ready-made clothes and leather goods	25.6	19.2	27.0	24.3
Wood and wood products, including furniture	1.9	3.2	3.8	17.8
Paper and paper products, printing and publishing	6.2	5.8	8.8	25.2
Chemical products	16.4	9.0	12.0	20.8
Mineral and non-metallic mineral products	21.0	6.8	7.1	12.2
Basic metals	-	-	-	-
Metal products, tools and machines	10.1	13.2	13.3	12.8
Other manufactures	0.7	-	-	-
Total	100.0	100.0	100.0	100.0

Source: The fourth four-year plan (1973-1976).

The increased share of textiles, ready-made clothes and leather products in investment and in manufacturing output, indicated in table 112, is a result of increased export opportunities especially in European markets (EEC). Chemical industries are fourth on the priority list of investment allocation and have the fourth largest share in industrial output; this is the result of a shift from concentrating on the export of crude phosphate to the export of manufactured goods. The food industries account for a considerable percentage of investment, equal to 18.1 per cent of the total allocated to manufacturing, though their share in industrial output will decrease greatly because of the collapse of the olive oil industry which is the cornerstone of these industries.

Projects envisaged under the plan indicate interest in sugar and tobacco as industries, spinning and weaving, insecticides and building materials.

Table 113 shows the increased participation of private investment in the manufacturing sector. The share of the private sector in total investment became 50.8 per cent as opposed to 49.2 per cent for the public sector. The private sector undertook nearly all the investment in textiles, ready-made clothes and leather industries (96.6 per cent) and in wood, paper and other industries (92.1 per cent), whereas the public sector monopolized non-ferrous metal products and building materials (93.8 per cent), and it accounted for the entire investment in the chemical industries (79.5 per cent).

Table 113. Tunisia: Contribution of the public and private sectors to investment, by major group of manufacturing

Major group	Public	Private	Total	Public	Private	Total
	(million dollars)			(percentage)		
Food, beverages and tobacco	15.1	13.9	29.0	52.1	47.9	100
Building materials, ceramics and crystal	31.5	2.1	33.6	93.8	6.2	100
Mechanical and electrical industries	8.7	7.5	16.2	53.7	46.3	100
Chemicals and rubber	21.0	5.4	26.4	79.5	20.5	100
Textiles, clothes and leather	1.4	39.6	41.0	3.4	96.6	100
Wood, paper, and other industries	1.1	12.9	14.0	7.9	92.1	100
Total	78.8	81.4	160.2			
Average				49.2	50.8	100

Source: The fourth four-year plan (1973-1976).

The plan is designed to increase the share of manufacturing industries in total exports from 29.3 per cent under the prior plan to 30.9 per cent under the present plan (see table 114). The share of the textile, ready-made clothes and leather industries is expected to increase from 2.2 per cent in the earlier plan to 9.6 per cent in the present plan; the share of chemical industries from 5.1 to 6.4 per cent; and that of mechanical industries from 3.3 to 3.5 per cent. This will result from the promotion of the textiles and chemicals industries, e.g. phosphates and iron, and reflects a tendency of the State to export its natural resources in the form of finished or semi-finished products. There will be a decrease in the exports of food products from 16.5 to 9.4 per cent, owing to the expected sharp decline in the production and export of olive oil.

Table 114. Tunisia: Distribution of exports, by major group of manufacturing, 1969-1972 and 1973-1976

	Value		Share in total	
Major group	three-year plan (million dinars)	four-year plan	1969-1972 (percentage)	1973-1976
Food, beverages and tobacco	131.5	123.9	16.5	9.4
Building materials, ceramics and crystal	5.1	5.9	0.6	0.5
Mechanical and electrical industries	26.3	45.4	3.3	3.5
Chemicals and rubber	40.3	84.1	5.1	6.4
Textiles, clothes and leather	17.7	125.7	2.2	9.6
Wood and furniture	4.0	5.5	0.5	0.4
Paper, printing and others	8.6	13.9	1.1	1.1
Total	233.5	404.4	29.3	30.9
Total exports of goods	463.2	720.5	58.1	55.5
Total exports of goods and services	797.4	1 310.0	100.0	100.0

Source: The fourth four-year plan (1973-1976).

Table 115 reveals a tendency to encourage labour-intensive industries in an attempt to solve the unemployment problem. The manufacturing industries account for 34.3 per cent of the total employment projected in the over-all plan, out of which the labour-intensive textile and leather industries account for 22.7 per cent.

Table 115. Tunisia: Distribution of employment, by major group of manufacturing, 1973-1976

Major group	Sex distribution Male	Female	Total number of workers	Share in total employment (percentage)
Food, beverages and tobacco	3 100	200	3 300	2.8
Building materials, ceramics and crystal	3 500	-	3 500	2.9
Mechanical and electrical industries	1 400	100	1 500	1.3
Chemicals and rubber	1 000	-	1 000	0.8
Textiles, clothes and leather	8 000	19 000	27 000	22.7
Wood and furniture	1 500	-	1 500	1.3
Paper, printing and others	2 900	100	3 000	2.5
Total manufacturing sector	21 400	19 400	40 800	34.3
Other sectors	68 100	10 100	78 200	65.7
Total employment	89 500	29 500	119 000	100.0

Source: The fourth four-year plan (1973-1976).

As regards foreign trade, the objectives of the plan are:

(a) To increase the exports of goods and services by 8 per cent per annum (5.3 per cent for commodities and 11.7 per cent for services);

(b) To increase the imports of commodities and services at a rate of 13.3 per cent per annum (14.4 per cent for commodities and 9 per cent for services).

The goal of the plan is to change the structure of imports in the following manner:

(a) By increasing the imports of capital goods at a rate of 17.8 per cent annually, which would mean an increase in the value of imports of these commodities from D 65.8 million in 1972 to D 113 million in 1976;

(b) By increasing the imports of raw materials and semi-finished products from D 66.3 million in 1972 to D 117 million in 1976;

(c) By increasing the imports of foodstuffs by 12.9 per cent and of other consumer goods by 11.3 per cent.

Table 116 gives the share of the various sectors in commodity exports. The decreasing percentage of agriculture and fisheries results from the expected increase in local consumption, whereas the decrease in mining and energy results from the expected corresponding decrease in the exports of iron-ore and phosphates. The increasing share of manufacturing industries is a result of the increased exports of textiles and iron and phosphate products.

Table 116. Tunisia: Share of the economic sectors in the exports of commodities, 1969-1972 and 1973-1976 (Percentage)

Sector	1969-1972		1973-1976	
Agriculture and fishing		9.2		7.4
Mining and energy		39.1		36.1
Manufacturing		51.7		56.5
Food	28.4		17.2	
Textiles	3.8		17.4	
Mechanical	5.7		6.3	
Chemical	8.7		11.7	
Others	5.1		3.9	
Total		100.0		100.0

Source: The fourth four-year plan (1973-1976).

As regards employment, the plan is designed to provide about 119,000 new job opportunities, distributed over the various sectors of the national economy as shown in table 117.

Table 117. Tunisia: Distribution of increase in employment, by economic sector 1973-1976 (Percentage)

Sector	Employment	Projected rate of increase during the plan period
Agriculture	0	0
Manufacturing industry	34.0	6.0
Other industries	1.0	-.7
Construction	16.0	8.5
Transport and communications	5.1	3.6
Trade	9.2	2.1
Others	37.0	5.0
Total	100.0	2.0

Source: Fourth-year plan (1972-1976).

Table 117 indicates that the manufacturing sector will offer 34 per cent of the new job opportunities, followed by the construction sector (16.0 per cent). Other industries will show a negative rate of growth because of the depletion of some mines and the introduction of modern methods in the production of phosphates.

Measures for implementing the plan

Economic measures

(a) Intensive studies will be conducted to evaluate public projects. Banks and project owners will be granted greater authority in evaluating the projects of individuals and private enterprises;

(b) Existing planning offices in the enterprises will be strengthened, and a national centre for industrial studies will be established to provide these offices with the needed experts;

(c) The public authority will encourage special investment by travel, housing and industrial agencies in order to build the proposed projects at reasonable prices.

Measures relating to industry

(a) An industrial development fund will be established to redistribute industries among regions in order to achieve decentralization. This fund will assist in creating a generation of entrepreneurs and will encourage them through its participation in capital investment. The fund will play a vital role in promoting industrial projects in the various regions through granting incentives to project owners who place their projects in remote or backward areas. These incentives will take the form of long-term loans at low interest or of reducing the surplus. The fund will also encourage small-scale and middle-sized industries and grant them loans as soon as the projects prove effective;

(b) The expansion of internal and foreign markets and the reduction of costs through:

(i) Encouraging export industries in pursuance of the law of 27 April 1972;

(ii) Promoting internal competition and removing customs protection to force local industries to reduce costs;

(iii) Expanding the local market by reducing prices and expanding foreign markets by offering tax exemptions to exporting firms;

(iv) Encouraging industry by liberalizing customs duties on imports of capital goods and by exempting raw materials from customs tariffs;

(v) Developing credit systems and establishing a department responsible for carrying out intensive studies on production costs and productivity in important sectors, and controlling prices in the light of these studies;

(vi) Improving and developing the transport sector in an attempt to reduce production costs and to expand markets;

(vii) Revising the law that governs public organizations to provide favourable conditions for them to raise productivity and competitiveness.

Social measures

(a) Measures to stimulate employment include:

(i) Encouraging the planting of vegetables and trees, cattle-breeding and fisheries which absorb large numbers of workers;

(ii) In the field of manufacturing industry, encouraging textiles and traditional industries which offer greater job opportunities;

(iii) Promoting travel and tourism, which create direct and indirect job opportunities;

(iv) Controlling birth rates through family planning;

(v) Developing rural industries;

(vi) Providing accurate statistics on manpower;

(vii) Developing education and introducing agricultural and handicrafts training in the primary grades, along with encouraging vocational, commercial and technical education; limiting liberal arts education to a minimum in secondary schools to concentrate on meeting the requisites of the development plans. University education will be expanded with emphasis on teachers' training institutes (for science, arithmetic and technical subjects) and on faculties of medicine and engineering.

(b) Measures to rectify regional and class inequities are:

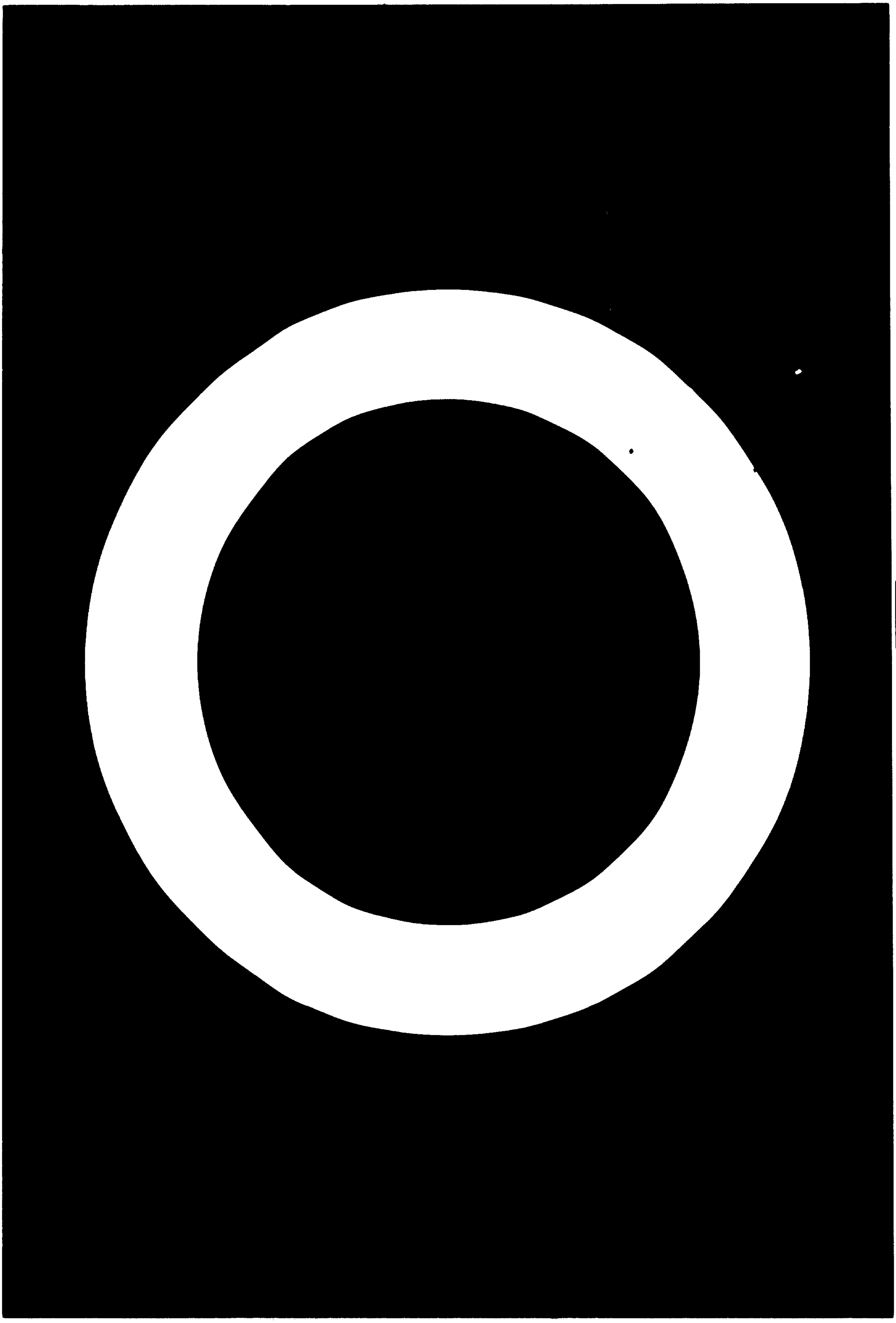
(i) Directing national investment programmes towards the development of under-developed regions and to serve the poorer social classes;

(ii) Directing some national policies towards raising the wages of agricultural workers and encouraging skilled and specialized workers to work in rural and remote areas;

(iii) Controlling the prices of essential commodities;

(iv) Expanding social insurance systems;

(v) Promoting rural development and small-scale and medium-sized industries.



ANNEX

COMPARATIVE BACKGROUND DATA ON ARAB STATES

Table 1. Some comparative basic data

Country	Share in total population of the Arab countries (percentage)	Average annual growth rate of population 1960-1970 (percentage)	Share in total GNP of Arab countries, at market prices 1970 (percentage)	Average annual growth rate of GNP, 1963-1968 (percentage)	Average growth rate of per capita GDP, at market prices 1963-1968 (percentage)	Manufacturing output as percentage of GDP, 1968		Share of manufacturing output in total industrial output, 1968 (percentage)	Domestic savings as percentage of GDP, 1968		Domestic fixed investment as percentage of GDP, 1968		Per capita GDP, at market prices 1970 (dollars)
						Market prices	Factor cost		Market prices	Factor cost	Market prices	Factor cost	
Algeria	11.6	3.1	11.9	6.7	3.9	...	...	...	...	...	...	...	300
Bahrain	0.2	3.5	0.3	...	...	...	...	...	...	...	...	...	550
Democratic Yemen	1.0	2.3	0.4	...	...	...	...	...	...	...	...	...	120
Egypt	27.1	2.5	19.2	8.6	5.4	...	19.9	86.1	12.6	14.[illegible]	12.4	14.2	210
Iraq	7.9	3.5	8.6	11.5	6.8	8.0	8.8	19.5	20.0	21.4	14.[illegible]	15.6	320
Jordan	1.9	3.5	1.6	8.5	3.4	...	10.0	75.8	20.9	23.1	16.1	17.8	250
Kuwait	0.6	9.7	7.9	8.0	-2.7	4.0	3.8	6.3	37.0	37.2	16.5	16.6	3 760
Lebanon	2.2	2.5	4.5	8.4	5.3	12.9	...	84.8	3.9	4.2	18.[illegible]	19.8	1 [illegible]0
Libyan Arab Republic	1.6	3.7	9.5	7.4	55.7	...	1.9	3.6	34.[illegible]	35.9	26.1	27.1	230
Morocco	12.6	2.9	10.0	5.7	3.2	...	12.9	62.	16.9	18.5	12.9	14.0	350
Oman	0.5	2.0	0.6	...	...	...	...	...	...	...	...	...	1 [illegible]30
Qatar	0.1	9.1	0.6	...	...	...	...	...	...	...	...	...	440
Saudi Arabia	6.0	1.7	9.0	14.3	10.1	...	8.0	14.3	38.1	38.7	21.7	21.3	120
Sudan	12.8	2.9	5.2	5.1	1.6	9.0	...	75.0	10.4	11.6	12.2	13.5	290
Syrian Arab Republic	5.0	2.9	4.9	7.7	3.[illegible]	14.[illegible]	...	...	11.[illegible]	12.4	14.2	15.1	250
Tunisia	4.1	3.0	3.5	9.3	...	...	14.9	66.5	17.0	20.0	21.9	25.3	2 390
United Arab Emirates	0.2	9.3	1.5	...	...	...	...	...	...	...	...	...	80
Yemen	4.6	2.2	0.8	...	...	...	...	...	...	...	...	...	

Country	1968 a/		1970 b/		Average annual growth rate, 1960-1970 (percentage)	Population projections c/ (thousands)		The latest available c		
										Urban popula
	Population (thousands)	Share in total of Arab countries (percentage)	Population (thousands)	Share in total of Arab countries (percentage)		1975	1980	Year	Total population (thousands)	Number (thousands)
Algeria	13 500	11.6	14 330	11.6	3.1	16 694	19 449	1966	12 096	4 688
Bahrain	200	0.2	212	0.2	3.5	252	299	1965	182	150
Democratic Yemen	1 202	1.0	1 255	1.0	2.3	1 406	1 576	1955	138	129
Egypt	31 693	27.3	33 329	27.1	2.5	37 709	42 664	1960	25 984	9 864
Iraq	8 860	7.6	9 678	7.9	3.5	11 494	13 652	1965	8 047	4 112
Jordan	2 150	1.9	2 317	1.9	3.5	2 752	3 268	1961	1 706	748
Kuwait	630	0.5	760	0.6	9.7	1 207	1 918	1965	468	103
Lebanon	2 507	2.2	2 726	2.2	2.5	3 084	3 490	...	...	...
Libyan Arab Republic	1 803	1.6	1 940	1.6	3.7	2 327	2 791	1964	1 564	385
Morocco	14 580	12.5	15 495	12.6	2.2	17 876	20 624	1960	11 626	3 412
Oman	577	0.5	600	0.5	2.0	662	731	...	...	...
Qatar	80	0.1	115	0.1	9.1	177	272	...	...	...
Saudi Arabia	7 320	6.3	7 360	6.0	1.7	8 007	8 712	...	...	...
Sudan	14 939	12.8	15 695	12.8	2.9	18 107	20 890	1956 d/	10 263	...
Syrian Arab Republic	5 860	5.0	6 098	5.0	2.9	7 035	8 117	1960	4 565	1 605
Tunisia	4 806	4.1	5 075	4.1	3.0	5 883	6 820	1966	4 533	1 822
United Arab Emirates	179	0.2	220	0.2	9.3	343	535	...	...	...
Yemen	5 304	4.6	5 730	4.6	2.9	6 389	7 123	...	...	...
Total	116 190	100	122 935	100 0		141 404	162 931			

a/ Source: Demographic Yearbook 1971 (United Nations publication, Sales No. 72.XIII.1), table 4, pp. 132-138; table 5, pp. 139-158; table 8 (literary), pp. 516-537.

b/ Source: IBRD, World Bank Atlas (Washington, D.C., 1972).

c/ Projections are calculated according to the following equation:

$$P_1 = P_o \quad (1 + r)^t,$$

where P_o is base year population, r is rate of growth, t is time, and P_1 is future population after t years. The average compound rate of growth calculated by the IBRD Atlas is used a

d/ Sample survey.

Table 2. Population data

on projections c/ thousands)	The latest available census						Population aged 15 and over				
			Urban population		Rural population		Male		Female		
1980	Year	Total population (thousands)	Number (thousands)	Share in total (percentage)	Number (thousands)	Share in total (percentage)	Number (thousands)	Share in total population (percentage)	Number (thousands)	Share in total population (percentage	Number (thousands
19 449	1966	12 096	4 688	38.8	7 408	61.2	3 146	51.7	3 229	53.6	6 375
299	1965	182	150	82.4	32	17.6	59	59.6	43	51.8	102
1 576	1955	138	129	93.3	9	6.7	...	...	...	...	...
42 664	1960	25 984	9 864	38.0	16 120	62.0	7 310	55.9	7 487	58.0	14 797
13 652	1965	8 047	4 112	51.1	3 935	48.9	2 090	51.0	2 085	52.9	4 175
3 268	1961	1 706	748	43.9	958	56.1	459	52.9	473	56.4	932
1 918	1965	468	103	22.1	365	77.9	195	68.1	95	52.4	290
3 490	...	...	...	...	...	...	...	...	..	...	...
2 791	1964	1 564	385	24.6	1 179	75.4	4444	71.7	403	71.6	847
20 624	1960	11 626	3 412	29.3	8 214	70.7	3 165	54.5	3 311	56.9	6 476
731	...	...	...	...	...	...	...	...	...	...	...
272	...	...	...	...	...	...	...	...	...	...	...
8 712	...	...	...	...	...	...	...	...	...	...	...
20 890	1956 d/	10 263	...	...	...	...	2 851	55.0	2 997	59.0	5 848
8 117	1960	4 565	1 685	36.9	2 880	63.1	1 232	52.6	1 222	55.0	2 454
6 820	1966	4 533	1 822	40.1	2 711	59.9	1 231	53.2	1 203	54.2	2 434
535	...	...	...	...	...	...	...	...	...	...	...
7 123	...	...	...	...	...	...	...	...	...	...	...
162 931								...	...	...	...

able 5, pp. 139-158; table 18 (literary), pp. 516-537.

average compound rate of growth calculated by the IBRD Atlas is used as r.

Population aged 15 and over				Illiteracy of population of 15 years of age and over					
Female		Total		Male		Female		Total	
Number (thousands)	Share in total population (percentage)	Number (thousands)	Share in total population (percentage)	Number (thousands)	Share in total (percentage)	Number (thousands)	Share in total (percentage)	Number (thousands)	Share in total (percentage)
3 229	53.6	6 375	52.7	2 204	70.1	2 973	92.0	5 177	81.2
43	51.8	102	56.0	38	64.4	35	81.4	73	71.8
...	...	...	...	...	...	...	...	...	...
7 487	58.0	14 797	56.9	4 349	59.5	6 557	87.6	10 906	73.7
2 085	52.9	4 175	51.9	1 316	63.0	1 762	84.5	3 078	73.7
473	56.4	932	54.6	229	48.9	401	84.8	630	67.4
95	52.4	290	62.0	88	41.1	67	59.9	155	47.5
...	...	...	...	...	...	...	...	...	...
403	71.6	847	71.6	27.7	62.4	306	95.1	863	78.3
3 311	56.9	6 476	55.7	2 437	80.2	3 081	97.2	5 518	88.8
...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...
2 997	59.0	5 848	57.7	2 640	92.6	2 984	98.8	5 824	95.6
1 222	55.0	2 454	53.8	575	51.2	972	87.3	1 547	69.2
1 203	54.2	2 434	53.7	769	62.4	1 071	89.0	1 840	75.6
...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...

Table 3. Some employment indicators

Country	Year	Number of employees (thousands)	Average annual rate of growth (percentage)	Agriculture: Number of employees (thousands)	Agriculture: Share in total (percentage)	Manufacturing industry: Number of employees (thousands)	Manufacturing industry: Share in total (percentage)	Other industries: Number of employees (thousands)	Other industries: Share in total (percentage)	Construction: Number of employees (thousands)	Construction: Share in total (percentage)
Algeria	1966	2 281	...	1 293	56.7	163	7.1	32	1.4	129	5.7
Bahrain	1971	60	2.2 b/	4	6.6	83	13.9	2	2.8	10	17.4
Democratic Yemen	1958	56	...	6	10.7	14	25.0	2	3.6	8	14.3
Egypt c/	1966	8 334	1.2 d/	4 447	53.3	1 071	12.9	69	0.8	206	2.5
Iraq e/	1968	2 469	...	1 399	56.7	146	5.9	28	1.1	66	2.7
Jordan	1961	390	3.9 f/	138	35.3	33	8.4	11	2.8	40	10.3
Kuwait	1970	239	6.0	4	1.7	32	13.4	14	6.0	34	14.1
Lebanon h/	1970	538	...	102	18.9	96	17.8	5	1.0	35	6.5
Libyan Arab Rep. i/	1964	389	...	144	37.1	27	6.8	17	4.5	30	7.7
Morocco	1960	3 255	...	1 834	56.3	266	8.2	48	1.5	56	1.7
Oman j/	1970	140	...	124	88.5	...	...	...	...	6	4.3
Qatar k/	1970	48	...	2	4.0	5	11.0	2	5.0	8	16.0
Saudi Arabia l/	1966	1 006	...	465	46.2	41	4.1	34	3.3	104	10.3
Sudan m/	1969	6 438	...	5 758	89.4	150	2.3	...	...	46	0.7
Syrian Arab Rep. n/	1968	1 774	8.8	1 093	61.5	152	8.6	15	0.9	56	3.2
Tunisia	1966	1 095	...	448	41.0	104	9.5	41	3.8	59	5.4
United Arab Emirates	...	...	...	...	...	...	...	...	...	...	...
Yemen o/	1970	2 500	...	2 000	80.0	8 p/	0.3	...	...	...	...

Source: ILO, Yearbook of Labour Statistics, 1970 (Geneva), pp. 21-53, table (1); pp. 54-155, table 2 A; and ILO, Yearbook of Labour ...

Note: The data represent the economically active population in all countries unless otherwise indicated.

a/ Including services.

b/ Simple rate calculated for the period 1963-1971; the labour force was estimated at 53,000 in 1965.

c/ Labour force data refer to persons aged 12 to 64.

d/ For the period 1960-1966.

e/ Source: Government of Iraq, Ministry of Planning, Economic Department, Development of Iraq Economy: Economic Indicators (Ma...

f/ Simple rate calculated on the basis of 1961-1971 data, where the Jordanian labour force is estimated at 541,000 in 1971.

g/ Including 4,400 unemployed persons.

h/ Source: Government of Lebanon, Central Directory for Statistics, Lebanon Statistical Yearbook, No. 7 (1971), p. 79.

i/ These data concern Libyans only.

j/ Source: IBRD, 1972; data refer to entire labour force.

k/ Source: UNESOB, Inter-disciplinary Recommendation Mission (Beirut), Appendix, table 2, p. 5.

l/ Source: Government of Saudi Arabia, Development plan, table 9, p. 67.

m/ Source: Government of Sudan, Yearbook Plan, vol. II, part I, p. 55.

n/ Simple rate calculated for the years 1961-1968; the labour force in 1961 was estimated at 1.1 million.

o/ Source: Government of Yemen, Planning Higher Board, Statistics Book, 1971.

p/ Including other industries.

q/ Including utilities.

Table 3. Some employment indioators

uring y	Other industries		Construction		Transport and communications		Wholesale and retail trade		Other activities [a/]	
hare in total rcentage)	Number of employees (thousands)	Share in total (percentage)	Number of employees (thousands)	Share in total (percentage)	Number of employees (thousands)	Share in total (percentage)	Number of employees (thousands)	Shars in total (percentage)	Number of employees (thousands)	Share in total (percentage)
7.1	32	1.4	129	5.7	88	3.9	[illegible]	6.6	424	18.6
13.9	2	2.8	10	17.4	7.7	12.8	9	14.6	19	31.9
[illegible]5.0	2	3.6	8	14.3	4	7.1	...	...	22	39.3
12.9	69	0.8	206.	2.5	340	4.1	599	7.2	1 602	19.2
5.9	28	1.1	66	2.7	140	5.7	140	5.7	550	22.3
8.4	11	2.8	40	10.3	12	3.1	31	8.0	125	32.1
13.4	14	6.0	34	14.1	12	5.1	33	13.8	110 [c/]	45.9
17.8	5	1.0	35	6.5	38	7.1	91	17.0	171	31.7
6.8	17	4.5	30	7.7	22	5.6	25	6.4	124	31.9
8.2	48	1.5	56	1.7	80	2.5	239	7.3	732	22.5
...	...	...	6	4.3	...	...	5	3.6	5	3.6
11.0	2	5.0	8	16.0	3	7.0	8	17.0	20	31.0
4.1	34	3.3	104	10.3	44	4.4	96	9.5	222	22.2
2.3	...	...	46	0.7	68	1.1	79	1.2	337	5.3
8.6	15	0.9	56	3.2	43	2.4	122	6.9	293	16.5
9.5	41	3.8	59	5.4	39	3.5	74	6.7	330	30.1
...	...	...	...	...	...	...	...	...	...	...
0.3	...	...	...	...	...	...	400	16.0	92 [d/]	3.7

able (1); pp. 54-155, table 2 A; and ILO, Yearbook of Labour Statistios, 1972, pp. 9-43, table (1); pp. 44-1,949, table 2 A.
untries unless otherwise indicated.

rce was estimated at 53,000 in 1965.

artment, Development of Iraq Economy: Economic Indicators (May 1972), table 4, p. 43.
e Jordanian labour force is estimated at 541,000 in 1971.

s, Lebanon Statistical Yearbook, No. 7 (1971), p. 79.

rut), Appendix, table 2, p. 5.
, p. 67.
. 55.
ce in 1961 was estimated at 1.1 million.

Book, 1971.

Country	Crude Petroleum: Production — Quantity (thousand tons)	Crude Petroleum: Production — Share in world production (percentage)	Crude Petroleum: Reserves[g] — Quantity (million tons)	Crude Petroleum: Reserves[g] — Share in world reserves (percentage)	Natural gas[a]: Production — Quantity (million m^3)	Natural gas[a]: Production — Share in world production (percentage)	Natural gas[a]: Reserves — Quantity (billion m^3)	Natural gas[a]: Reserves — Share in world reserves (percentage)	Iron[b]: Production — Quantity (thousand tons)
Algeria	42 168	2.2	1 040	1.4	2 652	0.3	[illegible]	11.1	1 664
Bahrain	3 773	0.2	58	0.1	133	-	[illegible]	-	-
Democratic Yemen	-	-	[illegible]	-	-	-		-	-
Egypt	9 000	0.5	434	0.6	56	-		0.2	224
Iraq	73 775	3.8	3 807	5.2	773	0.1	[illegible]	8.2	-
Jordan	-	-	-	[illegible]	-	-	-	-	-
Kuwait	121 975	6.3	9 806	13.4	3 339	0.4	[illegible]	3.1	-
Lebanon	-	-	-	-	-	-	-	-	-
Libyan Arab Republic	125 539	6.5	4 054	5.5	...	...	[illegible]	2.0	-
Morocco	89	-	1	-	11	-	[illegible]	-	486
Oman	12 012	0.6	410	0.6	-	-	[illegible]	0.2	-
Qatar	16 363	0.9	508	0.7	119	-	[illegible]	0.6	-
Saudi Arabia	141 003	7.3	18 638	25.5	...	...	[illegible]	3.5	-
Sudan	-	-	-	-	-	-	-	-	20
Syrian Arab Republic	833	[illegible]	176	0.2	-	-	[illegible]	-	-
Tunisia	3 191	0.2	54	0.1	9	-	[illegible]	-	554
United Arab Emirates	24 318	1.3	2 130	2.9	-	-	[illegible]	0.7	-
Yemen	-	-	-	-	-	-	-	-	-
Total	573 969	29.8	41 116	56.2	7 081	0.8	10 [illegible]	29.6	2 948

__Source__: __Statistical Yearbook, 1970__, (United Nations publication, Sales No. 71.XVII.1), tables 53-79, pp. 190-220).

a/ From petroleum and natural gas fields.

b/ The figures refer to the iron content of marketable ores mined.

c/ The series relate to the production of natural phosphate rock and apatite and sometimes include guano with a variable phosphate content.

d/ The figures relate to the manganese content of manganese ores mined, normally at a marketable stage of production.

e/ The data relate to the copper content of copper ores mined, including mixed ores.

f/ The figures relate to the content of concentrates.

g/ Reserves represent the aggregate amount of petroleum remaining in the ground, 1969.

h/ The data are for 12 months beginning 1 April.

Table 4. Mineral wealth, 1968

	Natural gas[a/]		Iron[b/]		Phosphate[c/]		Manganese[d/]		Copper[e/]	Lead[f/]	Antimony	Sr…
	Reserves		Production		Production		Production		Production	Production	Production	Produ…
…in world …uction …entage)	Quantity (billion m^3)	Share in world reserves (percentage)	Quantity (thousand tons)	Share in world production (percentage)	Quantity (thousand tons)	Share in world production (percentage)	Quantity (thousand tons)	Share in world production (percentage)	Quantity (thousand tons)	Quantity (thousand tons)	Quantity (thousand tons)	Quantity (thousand tons)
.3	4 [illegible]	11.1	1 664	0.6	361	0.4	-	-	0.8	4.8	[illegible]	120
	10	-	-	-	-	-	-	-	-	-	[illegible]	-
	-	-	-	-	-	-	-	-	-	-	-	90
	5[illegible]	0.2	224	-	1 441	2.0	1	-	-	-	[illegible]	622
.1	3 020	8.2	-	-	-	-	-	-	-	-	-	43[h/]
	-	-	-	-	1 156	1.4	-	-	-	-	-	16
.4	1 133	3.1	-	-	-	-	-	-	-	-	.	4
	-	-	-	-	-	-	-	-	-	-	-	30
..	7[illegible]	2.0	-	-	-	-	-	-	-	-	-	-
-	.	-	486	-	10 512	12.4	80	1.1	2.5	80.4	[illegible]	41
-	57	0.2	-	-	-	-	-	-	-	-	-	-
-	265	0.6	-	-	-	-	-	-	-	-	-	-
...	1 294	3.5	-	-	-	-	-	-	-	-	-	-
-	-	-	20	-	-	-	2	-	-	-	-	50
-	14	-	-	-	-	-	-	-	-	-	.	20
-	14	-	554	0.2	3 361	4.0	-	-	-	14.9	-	355
	266	0.7	-	-	-	-	-	-	-	-	-	.
-	-	-	-	-	-	-	-	-	-	-	-	-
.8	10 915	29.6	2 948	0.8	16 831	20.2	83	1.1	3.3	100.1	1 [illegible]	1 392

… 190-220).

… guano with a variable phosphate content.

…tage of production.

Copper[g] Production Quantity (thousand tons)	Lead[f] Production Quantity (thousand tons)	Antimony Production Quantity (thousand tons)	Salt Production Quantity (thousand tons)	Salt Production Share in world production (percentage)	Zinc Production Quantity (thousand tons)	Zinc Production Share in world production (percentage)	Sulphur production (thousand tons)	Nickel production (tons)	Tin production (tons)
0.8	4.8	..	120	0.1	12.7	-	23	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	90	0.1	-	-	-	-	-
-	-	-	622	0.5	-	-	3	-	-
-	-	-	43[h]	-	-	-	-	-	-
-	-	-	16	-	-	-	-	-	-
-	-	-	4	-	-	-	-	-	-
-	-	-	30	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2.5	80.4	1 280	41	-	30.4	0.6	-	300	12
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	50	-	-	-	-	-	-
-	-	-	20	-	-	-	-	-	-
-	14.9	-	355	0.3	3.9	-	-	-	-
-	-	-	..	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
3.3	100.1	1 2[illegible]	1 392	1.0	47.0	0.6	26	300	12

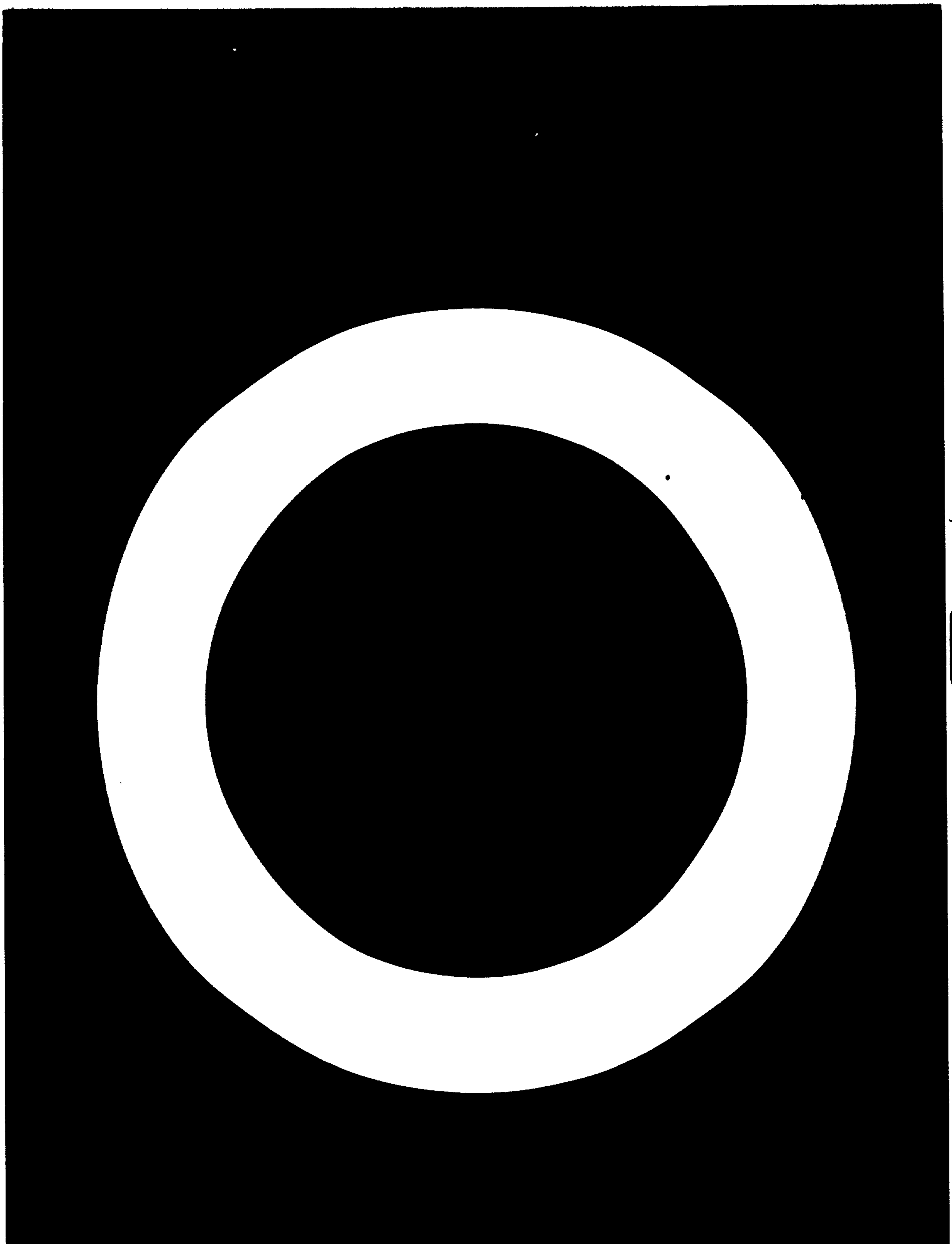


Table 5. Animal wealth, 1967/68

Country	Cattle		Sheep and goats		Camels		Poultry	
	Number (thousands)	Share in total (percentage)	Number (thousands)	Share in total (percentage)	Number (thousands)	Share in total (percentage)	Number (thousands)	Share in total (percentage)
Algeria	841	3.6	10 049	9.8	[illegible]	3.8	12 05[illegible]	10.6
Bahrain	-	-	-	-	-	-	-	-
Democratic Yemen	8[illegible]	0.4	1 0[illegible]	1.0	[illegible]	0.[illegible]	-	-
Egypt	2 058	8.9	3 060	3.0	12[illegible]	2.8	29 914	26.2
Iraq	1 580	6.8	13 985	13.6	215	4.8	5 39[illegible]	4.[illegible]
Jordan	41	0.2	1 145	1.1	11	0.3	2 323	2.0
Kuwait	5	-	165	0.1	[illegible]	0.1	-	-
Lebanon	86	0.4	55[illegible]	0.5	-	-	14 980	13.1
Libyan Arab Republic	119	0.5	3 003	2.9	232	5.1	1 135	1.0
Morocco	3 315	14.3	22 92[illegible]	22.3	214	4.7	15 200	13.3
Oman	-	-	-	-	-	-	-	-
Qatar	-	-	-	-	-	-	-	-
Saudi Arabia	280	1.2	4 330	4.[illegible]	520	11.5	4 200	3.7
Sudan	12 115	52.3	20 [illegible]	20.1	2 [illegible]	58.9	18 000	15.8
Syrian Arab Republic	499	2.2	5 626	5.5	6	0.1	4 035	3.5
Tunisia	830	3.6	[illegible]80	3.[illegible]	260	5.8	[illegible] 000	6.1
United Arab Emirates	-	-	-	-	-	-	-	-
Yemen	1 300	5.6	12 000	11.[illegible]	5[illegible]	1.[illegible]	-	-
Total	23 15[illegible]	100.0	102 811	100.0	4 [illegible]	100.0	114 242	100.0

__Source:__ FAO, __Production Yearbook, 1971__, vol. 25 (Rome, 1971), tables 107-111, pp. 306-340.

Table 6. Output of major industrial crops, 1968

Country	Barley	Maize	Rice	Sugar-cane	Sugar-beet	Tomatoes	Grapes (thousand tons)	Dates	Olives	Cotton seed	Linseed	Sunflower seed	Cotton	Sesame seed (hundred tons)	Flax fibre
Algeria	530	8	6	-	52	84	1 297	161	150	2	-	-	1	-	-
Bahrain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Democratic Yemen	4	-	-	-	-	-	...	8	...	-	-	-	2	29	-
Egypt	126	3 207	2 501	674	...	1 406	117	300	8	758	15	-	437	100	11.6
Iraq	931	18	325	-	35	241	...	260	9	25	12	-	13	120	-
Jordan	20	1	-	-	-	127	8	1	17	-	-	-	-	6	-
Kuwait															
Lebanon	12	4	-	1	110	60	84	-	32	-	-	2	-	1	-
Libyan Arab Republic	98	2	-	-	-	123	6	57	140	-	-	-	-	-	-
Morocco	2 406	500	41	-	387	245	310	90	320	12	3	4	7	-	-
Oman	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Qatar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Saudi Arabia	34	60	3	-	-	100	-	220	...	-	-	-	-	190	-
Sudan	-	1 153	1	900	-	...	...	70	-	334	-	-	104	1 220	-
Syrian Arab Republic	512	8	8	-	124	104	213	...	112	244	-	1	142	83	-
Tunisia	130	4	-	-	40	95	142	60	275	-	3	-	-	-	-
United Arab Emirates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yemen	2	22	-	-	-	-	...	60	...	2	-	-	1	-	-

Source: FAO, Production Yearbook, 1971, vol. 25 (Rome, 1971).

Table 7. Electric energy, 1968

Country	Installed capacity (thousand kW)	Production (million kWh)	Consumption: Industrial sector (million kWh)	Consumption: Other sectors (million kWh)	Installed capacity, by source: Thermal stations (thousand kW)	Installed capacity, by source: Hydro stations (thousand kW)
Algeria	639	1 305	...	...	299.0	340
Bahrain	66.4	216	...	...	66.4	-
Democratic Yemen	82.7	178	73	105	82.7	-
Egypt	2 725	6 735	760	5 975	1 647.0	1 051
Iraq	...	1 622	...	...	...	...
Jordan	...	156	40	116	...	...
Kuwait	163 a/	1 659	129 b/	1 530 c/	163.0	-
Lebanon	422	1 035	...	...	176.0	246
Libyan Arab Republic	168.5	274	...	...	168.5	-
Morocco d/	461	1 742	1 412.8 e/		1.1	294
Oman	...	...	...	...	...	...
Qatar	...	...	...	...	...	...
Saudi Arabia	188.2	528	...	...	188.2	-
Sudan	97.4	334	293.9 e/		...	...
Syrian Arab Republic	216	773	250	523	...	...
Tunisia	262.0	678	132	546	230.0	32
United Arab Emirates	...	...	...	...	...	...
Yemen	...	...			...	...
Total	5 491.2	17 235			3 021.9	1 963

Source: Statistical Yearbook, 1971 (United Nations publication, Sales No. 72.XVII.1), pp. 340-349.

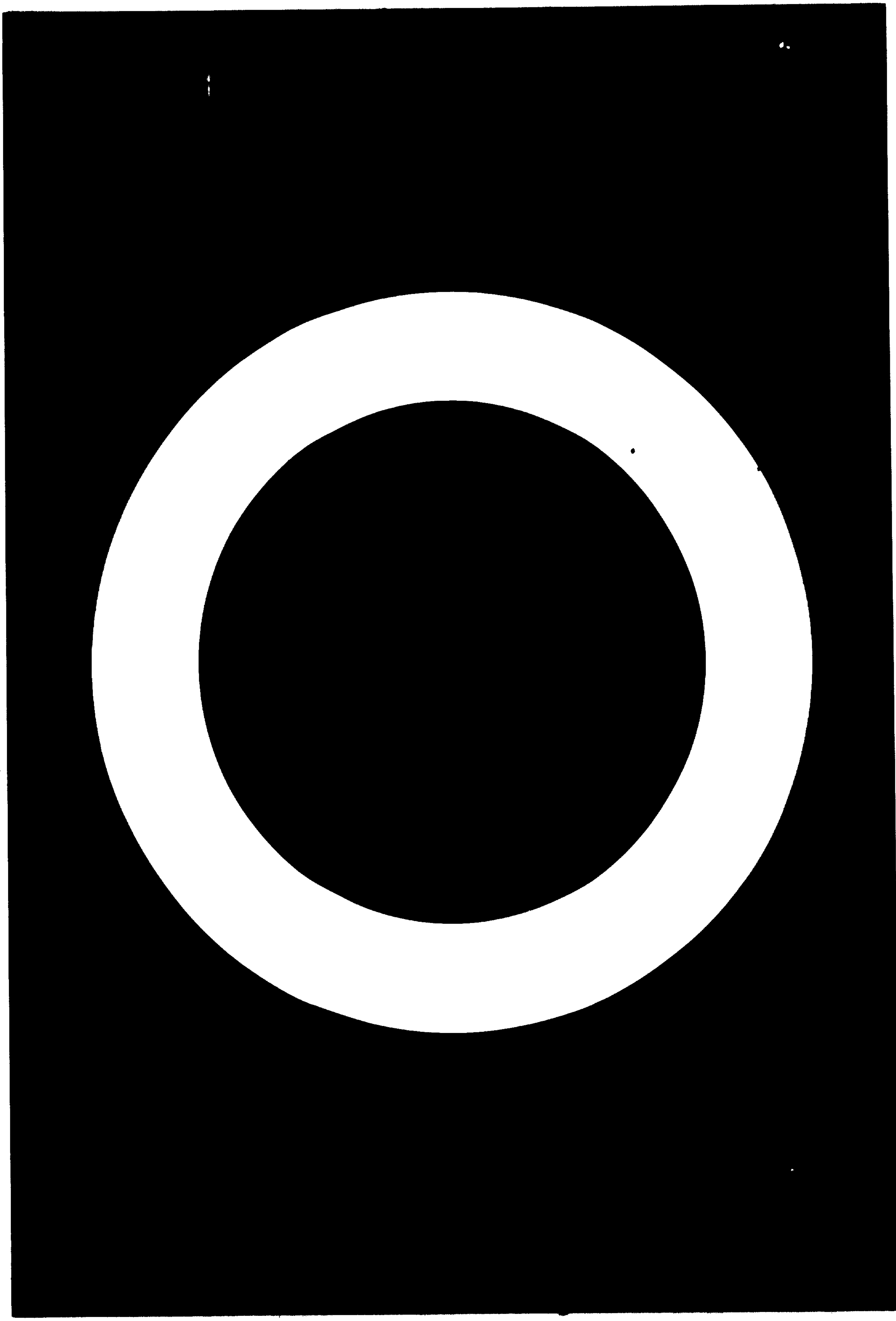
a/ For 1964.

b/ Internal consumption.

c/ Total consumption.

d/ Source: Morocco Bank report for the fiscal year 1970; Mineral Department, local office for electricity.

e/ Industrial sector and other sectors combined.



	GDP, 1968				GNP, 1968			
	At market prices (million dollars)	Share in total (percentage)	At factor cost (million dollars)	Share in total (percentage)	At market prices (million dollars)	Share in total (percentage)	At factor cost (million dollars)	Share in total (percentage)
Algeria b/	3 345.0	10.9	...	...	3 383.0	[illegible]	...	...
Bahrain	...	...	...	...	...	...	...	...
Democratic Yemen		...	...	...	...	...	...	...
Egypt	6 201.7	19.6	5 380.6	21.0	6 111.1 c/	21.3	5 290.0 g/	23.1
Iraq	2 957.1	9.4	2 771.2	10.8	2 518.0	8.8	2 332.1	10.2
Jordan	523.3	1.6	471.8	1.8	552.4	1.9	484.1	2.1
Kuwait	2 662.8	8.4	2 651.6	10.3	2 220.4	7.7	2 209.2	5.6
Lebanon	1 343.9	4.3	1 249.7	4.9	1 309.6	4.6	1 297.4 g/	5.7
Libyan Arab Republic	3 108.0	9.8	3 001.6	11.7	2 223.2	7.7	2 116.8	9.2
Morocco	3 023.3	9.6	2 766.4	10.8	2 944.2	10.3	2 687.4	11.8
Oman	...	...	...	...	...	...	...	...
Qatar	...	...	...	...	...	...	...	...
Saudi Arabia	3 566.1	11.3	3 513.0	13.7	2 790.2	9.7	2 737.1	11.9
Sudan	1 675.0	5.3	1 513.3	5.9	1 657.4	5.8	1 495.7	6.5
Syrian Arab Republic	1 443.6	4.6	1 363.2	5.3	1 446.2	5.0	1 365.8	6.0
Tunisia	1 120.3	3.5	965.7	3.8	1 021.4	3.6	902.2	3.9
United Arab Emirates	...	...	...	...	...	...	...	...
Yemen b/ j/	491.6	1.6	...	...	518.1	1.8	...	...
Total	31 561.7	100	25 648.1	100	28 695.2	100	22 917.8	100

Sources: Yearbook of National Accounts Statistics, 1971, vol. I, Individual Country Data; vol. II, Individual Country Data (continued); and vol. III, International Tables

a/ At factor cost.

b/ Data for 1969.

c/ Excluding foreign transfer (Arab aid) amounting to LE 127.8 million.

d/ Source: Monthly Bulletin of Statistics, January 1970.

e/ Source: Government of Lebanon, Ministère du Plan, Direction Central de la Statistique; Yearbook of National Accounts Statistics, 1970, vol. I, Individual Country

f/ 1960 prices.

g/ Based on GDP at factor cost at 1968 and 1960 prices.

h/ Data are for entire industrial output in 1963, at constant market prices.

i/ Excluding basic metal industries.

j/ Source: Government of Yemen, Ministry of Planning, Statistics Book, 1972.

Table 8. National income

total (…age)	GNP, 1968 At market prices (million dollars)	Share in total (percentage)	At factor cost (million dollars)	Share in total (percentage)	As percentage of GDP At market prices	At factor cost	Gross manufacturing output, 1968 At market prices (million dollars)	Share in total (percentage)	At factor cost (million dollars)	Share in total (percentage)
	3 383.0	11.6	...	...	98.2	...	...	...	...	..
	...	...	...	...	...	...	...	...	...	..
	...	...	...	...	...	...	...	...	...	...
	6 111.1 c/	21.3	5 290.0 c/	23.1	98.5	98.3	...	...	1 068.8	[illegible]
	2 518.0	8.8	2 332.1	10.2	85.2	84.2	236.6	26.7	244.7	[illegible]
	552.4	1.9	484.1	2.1	105.5	102.6	...	...	47.3	[illegible]
	2 220.4	7.7	2 209.2	5.6	83.4	83.3	106.4	12.0	100.8	[illegible]
	1 309.6	4.6	1 297.4 a/	5.7	97.4	103.8	173.6	19.6	...	[illegible]
	2 223.2	7.7	2 116.8	9.2	71.5	70.5	...	...	56.0	[illegible]
	2 944.2	10.3	2 687.4	11.8	97.4	97.1	...	...	290.5 f/	13.0
	...	...	...	...	...	...	...	...	...	...
	...	...	...	...	...	...	...	...	...	...
	2 790.2	9.7	2 737.1	11.9	78.2	77.9	...	...	281.3	12.6
	1 657.4	5.8	1 495.7	6.5	98.9	98.8	150.8	17.0	...	...
	1 446.2	5.0	1 365.8	6.0	100.1	100.1	211.4 h/	23.9	...	...
	1 021.4	3.6	902.2	3.9	91.2	93.4	...	...	143.4 i/	[illegible]
	...	...	...	...	...	...	...	...	...	...
	518.1	1.8	...	...	105.4	...	7.2	0.8	...	...
	28 695.2	100	22 917.8	100			886.0	100	2 232.8	100

…l. II, Individual Country Data (continued); and vol. III, International Tables (United Nations publication, Sales No. 73.XVII.3), unless otherwise stated.

…ue; Yearbook of National Accounts Statistics, 1970, vol. I, Individual Country Data and vol. II, International Tables (United Nations publication, Sales No. 72.XVII.3).

…cturing output, 1968: …otal (…re) At factor cost (million dollars)	Share in total (percentage)	As percentage of GDP: At market prices	At factor cost	Per capita GDP a/, 1968 (dollars)	Per capita GNP a/, 1968 (dollars)	Per capita manufacturing output, 1968 (dollars)	GDP, 1970: At market prices (million dollars)	Share in total (percentage)
...	...	...	...	255	251	...	4 270	11.9
...	...	...	...	...	...	...	120	0.3
...	...	...		...	...	...	140	0.4
1 068.8	47.9	...	19.9	195.5 d/	170.2 d/	39.1 d/	6 870	19.2
244.7	11.0	8.0	8.8	333.8	284.2	26.6	3 090	8.6
47.3	2.1	...	10.0	212.1	217.8	21.0	570	1.6
100.8	4.5	4.0	3.8	4 226.6	3 391.1	168.8	2 850	7.9
...	...	12.9	...	520.8 d/	484.3 d/	79.3 d/	1 610	4.5
56.0	2.5	...	1.9	1 727.6 d/	1 668.8 d/	1 324.4 d/	3 420	9.5
290.5 f/	13.0	...	12.9 e/	207.5 d/	189.7 d/	32.0 d/	3 600	10.0
...	...	...	...	...	...	...	200	0.6
...	...	...	...	...	...	...	200	0.6
281.3	12.6	...	8.0	479.8	373.9	38.3	3 220	9.0
...	...	9.0	...	112.0	110.9	10.1	1 850	5.2
...	...	15.0	...	246.3	246.8	36.0	1 750	4.9
143.4 d/	6.4	...	14.9 g/	200.7	187.8	28.6	1 270	3.6
...	...	...	...	...	...	...	530	1.5
...	...	1.5	...	87.2	92.1	...	290	0.8
2 232.8	100						35 850	100

…ted.

…s No. 72.XVII.3).

Table 9. Distribution of GDP, by economic sector,

	Distribution of GDP, 1968[a]							
	Agriculture		Manufacturing		Other industries		Construction	
Country	Value (million dollars)	Share in total (percentage)	Value (million dollars)	Share in total (percentage)	Value (million dollars)	Share in total (percentage)	Value (million dollars)	Share in total (percentage)
Algeria	...	...	...	...	...	...	...	...
Bahrain	...	...	...	...	...	...	...	...
Democratic Yemen	...	...	...	...	...	...	...	...
Egypt	1 583.1	29.4	1 068.8	19.9	172.3	3.2	253.7	4.7
Iraq	533.4	19.2	244.7	8.8	978.9	35.3	82.6	3.0
Jordan	77.0	16.3	47.3	10.0	15.1	3.2	27.4	5.8
Kuwait	14.0	0.5	100.8	3.8	1 660.4	62.6	109.2	4.1
Lebanon	137.1	10.2	173.6[e]	13.0	31.1	2.3	60.9	4.5
Libyan Arab Republic	92.4	3.0	56.0	1.8	1 828.4	58.8	249.2	8.0
Morocco	968.2	35.0	359.6	13.0	221.3	8.0	138.9	5.0
Oman	...	...	...	...	...	...	...	...
Qatar	...	...	...	...	...	...	...	...
Saudi Arabia	216.4	6.2	281.3	8.0	1 688.3	48.1	185.3	5.4
Sudan	585.3	34.9	152.2	9.1	54.3	3.2	70.1	4.2
Syrian Arab Republic	313.5	23.0	231.7	17.0	...	...	40.9	3.0
Tunisia	166.5[g]	17.2	143.6[h]	14.9	72.3[i]	7.5	80.8	8.4
United Arab Emirates	...	...	...	...	...	...	...	...
Yemen[j]	353.4	71.9	7.2	1.5	4.1	0.86	14.6	5.0
Total	5 040.3		2 866.8		6 726.5		1 313.6	
Average		19.1		10.8		25.4		5.0

Sources: Yearbook of National Accounts Statistics, 1971, vol. I, Individual Country Data; vol. II, Individ (United Nations publication, Sales No. 73. XVII.3).

a/ At factor cost for Egypt, Iraq, Jordan, Morocco and Saudi Arabia and Tunisia. At market prices for Kuwa

b/ Including financing.

c/ Including inventories.

d/ Including hotels and restaurants.

e/ Including extracting industries.

f/ Including transport and communications.

g/ Excluding fishing.

h/ Including fishing.

i/ Including basic metal industries.

j/ Data for 1969. Source: Government of Yemen, Ministry of Planning, Statistics Book, 1972.

Distribution of GDP, by economic sector, 1968

Distribution of GDP, 1968[a]

ther industries		Construction		Transport and communications		Wholesale and retail trade		Others	
lue llion lars)	Share in total (percentage)	Value (million dollars)	Share in total (percentage)	Value (million dollars)	Share in total (percentage)	Value (million dollars)	Share in total (percentage)	Value (million dollars)	Share in total (percentage)
...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...
72.3	3.2	253.7	4.7	267.5	5.0	496.6[b]	9.2	1 538.7	28.6
78.9	35.3	82.6	3.0	180.9	6.5	168.8	6.1	582.1	21.0
15.1	3.2	27.4	5.8	40.6[c]	8.6	81.5[d]	17.3	182.6	38.8
60.4	62.6	109.2	4.1	98.0	3.7	238.0	9.0	431.2	16.3
31.1	2.3	60.9	4.5	119.4	8.9	427.6	31.8	394.0	29.3
28.4	58.8	249.2	8.0	109.2	3.5	126.0	4.1	646.8	20.8
21.3	8.0	138.9	5.0	...	...	580.9	21.0	4 980.0[f]	18.0
...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...
88.3	48.1	185.3	5.4	260.4	7.4	261.3	7.4	619.9	17.6
54.3	3.2	70.1	4.2	103.7	6.2	388.0	23.2	321.4	19.2
...	...	40.9	3.0	150.0	11.0	231.7	17.0	381.7	28.0
72.3[i]	7.5	80.8	8.4	78.7[c]	8.1	141.9	14.7	282.1	29.2
...	...	...	...	...	...	...	...	...	...
4.1	0.86	14.6	5.0	11.3	2.3	63.6	12.9	37.4	7.6
26.5		1 313.6		1 419.7		3 205.9		10 397.9	
	25.4		5.0		5.4		12.1		22.2

Individual Country Data; vol. II, Individual Country Data (continued); and vol. III, International Tables

ia and Tunisia. At market prices for Kuwait, Lebanon, Libyan Arab Republic, Sudan, Syrian Arab Republic and Yemen.

nning, Statistics Book, 1972.

Table 10. Distribution of value [illegible] group of manufactur

Country	Food, beverages and tobacco					Textiles, ready-made clothes and leather products					Wood and wood products					
	1963		1968		Average annual growth rate (percentage)	1963		1968		Average annual growth rate (percentage)	1963		1968		[illegible]	19[illegible]
	Value (million dollars)	Share in total manufacturing (percentage)	Value (million dollars)	Share in total manufacturing (percentage)		Value (million dollars)	Share in total manufacturing (percentage)	Value	Share in total manufacturing (percentage)		Value (million dollars)	Share in total manufacturing (percentage)	Value (million dollars)	Share in total manufacturing (percentage)		Value (million dollars)
Egypt a/	68.5 b/	16.7	127.6 c/	20.0	16.8	121.4 b/	29.1	200.8 c/	31.9	13.6	6.7 b/	1.6	5.3 c/	0.8	[illegible]	21.2 b
Iraq d/	120.4	52.2	198.0	43.4	10.6	34.7	13.9	71.4	15.6	21.3	1.4	0.6	2.5	[illegible]	[illegible]	[illegible]
Jordan e/	7.0	27.2	11.2	23.4	12.0	4.4	17.2	7.6	15.8	14.0	2.3	8.9	3.2	[illegible]	[illegible]	0.6
Sudan f/	...	-	40.8	37.4	-	...	-	41.1	37.4	-	...	-	5.9	5.4		..
Syrian Arab Republic i/	34.8	27.6	52.4	20.6	10.8	46.8	30.1	66.5	37.5	8.4	10.2	8.3	8.4	4.7	[illegible]	[illegible]
Tunisia j/	...	-	56.4	41.3	-	...	-	70.3	19.7	-	...	-	10.6	8.0	.	.
Yemen l/	...	-	1.3	10.1	-	...	-	1.6	21.5	-	...	-	0.9	13.5	.	..
Total	238.9		486.7			207.3		418.3			20.8		36.6			27.0

a/ Source: Government of Egypt, Central Agency for Mobilization and Statistics, annual industrial statistics, 1963/64 and 1967/68

b/ For the fiscal year 1963/64.

c/ For the fiscal year 1967/68.

d/ The figures are for gross production.

e/ Source: Government of Jordan, Statistical Department, [illegible]rly Statistics Bulletin, 1968.

f/ Value added at factor cost, net of services cost and depreciation.

g/ Including chemicals and rubber and plastics products.

h/ Including metal products, machines and equipment and basic metal products.

i/ Value added at production prices.

j/ Source: Government of Tunisia, Plan Appendix, Total value added in manufacturing industries amounts to 69.7 million dinars.

k/ Including basic metal industry, metal products, machines and metal equipment and other manufacturing industries.

l/ Data for 1969. Source: Government of Yemen, Central Planning [illegible]. contribution of industrial sector in national income, table 4, p. 11.

m/ Including metal industries, daggers and jewels.

n/ Including cement products, brick and motor car services.

Table 10. Distribution of value added, by major group of manufacturing, 1963 and 1968

Wood and wood products				Paper, paper products, printing and publishing					Chemicals and their products, petroleum, coal and plastic products					Non-metal mineral products, excluding coal, and petroleum products						
	1968		Average annual growth rate (percentage)	1963		1968		Average annual growth rate (percentage)	1963		1968		Average annual growth rate (percentage)	1963		1968		Average annual growth rate (percentage)	1963	
Share in total manufacturing (percentage)	Value (million dollars)	Share in total manufacturing (percentage)		Value (million dollars)	Share in total manufacturing (percentage)	Value (million dollars)	Share in total manufacturing (percentage)		Value (million dollars)	Share in total manufacturing (percentage)	Value (million dollars)	Share in total manufacturing (percentage)		Value (million dollars)	Share in total manufacturing (percentage)	Value (million dollars)	Share in total manufacturing (percentage)		Value (million dollars)	Share in total manufacturing (percentage)
[illegible]	5.3 c/	0.8	4.1	21.2 b	5.4	27.1 c/	4.2	5.7	91.5 b/	22.0	106.2 c/	16.5	3.0	24.8 b/	6.0	28.5 c/	4.5	3.0	[illegible]	4.2
[illegible]	2.5	0.5	13.7	3.6	1.4	12.9	2.8	5.1	45.1	18.0	103.0	22.8	25.7	27.2	11.0	45.6	10.5	[illegible]		0.14
[illegible]	3.2	6.9	8.3	0.6	2.4	2.2	4.7	52.8	4.0	15.5	9.8	20.5	43.8	3.9	15.3	7.6	15.8	18.[illegible]	...	-
	5.9	5.4	-	..	-	3.4	3.2	-	...	-	...	-	-	...	-	7.2 g/	6.4	-	..	-
[illegible]	8.4	4.7	3.6	1.0	1.3	2.1	1.2	5.5	11.4	8.8	19.2	10.8	17.7	8.8	7.1	11.3	6.4	5.7		0.3
	10.6	8.0	.	..	-	13.3	9.9	-	...	-	6.2	4.6	-	...	-	13.3	9.9	-	..	-
-	0.9	13.5	-	...	-	...	-	-	...	-	...	-	-	...	-	...	-	.	...	-
	30.8			27.8		61.0			152.0		243.3			84.7		113.5			[illegible]	

[…] mineral products, excluding coal, and petroleum products

1963	1968		
Share in total manufacturing (percentage)	Value (million dollars)	Share in total manufacturing (percentage)	Average annual growth rate (percentage)
6.0	28.5 c/	4.5	3.0
11.0	45.6	10.5	13.6
15.3	7.6	15.8	18.6
-	7.2 g/	6.4	-
7.1	11.3	6.4	5.7
	13.3	9.0	-
-	...	-	-
	113.5		

Basic metals industry

1963		1968		Average annual growth rate (percentage)
Value (million dollars)	Share in total manufacturing (percentage)	Value (million dollars)	Share in total manufacturing (percentage)	
17.7	4.2	34.0 c/	5.3	18.4
0.3	0.14	0.6	0.12	10.7
...	-	...	-	-
...	-	-	-	-
0.4	0.3	2.3	1.3	88.0
...	.	-	-	-
...	-	1.7 g/	23.8	-
18.4		38.6		

Machines and metal products

1963		1968		Average annual growth rate (percentage)
Value (million dollars)	Share in total manufacturing (percentage)	Value (million dollars)	Share in total manufacturing (percentage)	
34.5 b/	8.3	61.4 c/	9.6	16.0
6.2	2.4	19.3	4.2	42.8
2.9	11.3	5.1	10.5	15.0
...	-	6.3 b/	5.8	-
6.5	6.8	13.2	7.4	10.9
...	-	9.0 b/	6.6	-
...	-	...	-	-
52.1		114.3		

Other manufacturing industry

1963		1968		Average annual growth rate (percentage)
Value (million dollars)	Share in total manufacturing (percentage)	Value (million dollars)	Share in total manufacturing (percentage)	
27.8 b/	7.8	46.0 c/	7.2	13.1
...	-	1.7	0.3	-
0.6	2.2	1.2	2.4	2.5
...	-	4.9	4.4	-
1.0	0.7	2	1.1	21.6
...	-	...	-	-
[illegible]	-	[illegible]	22.4	-
20.4		77.4		

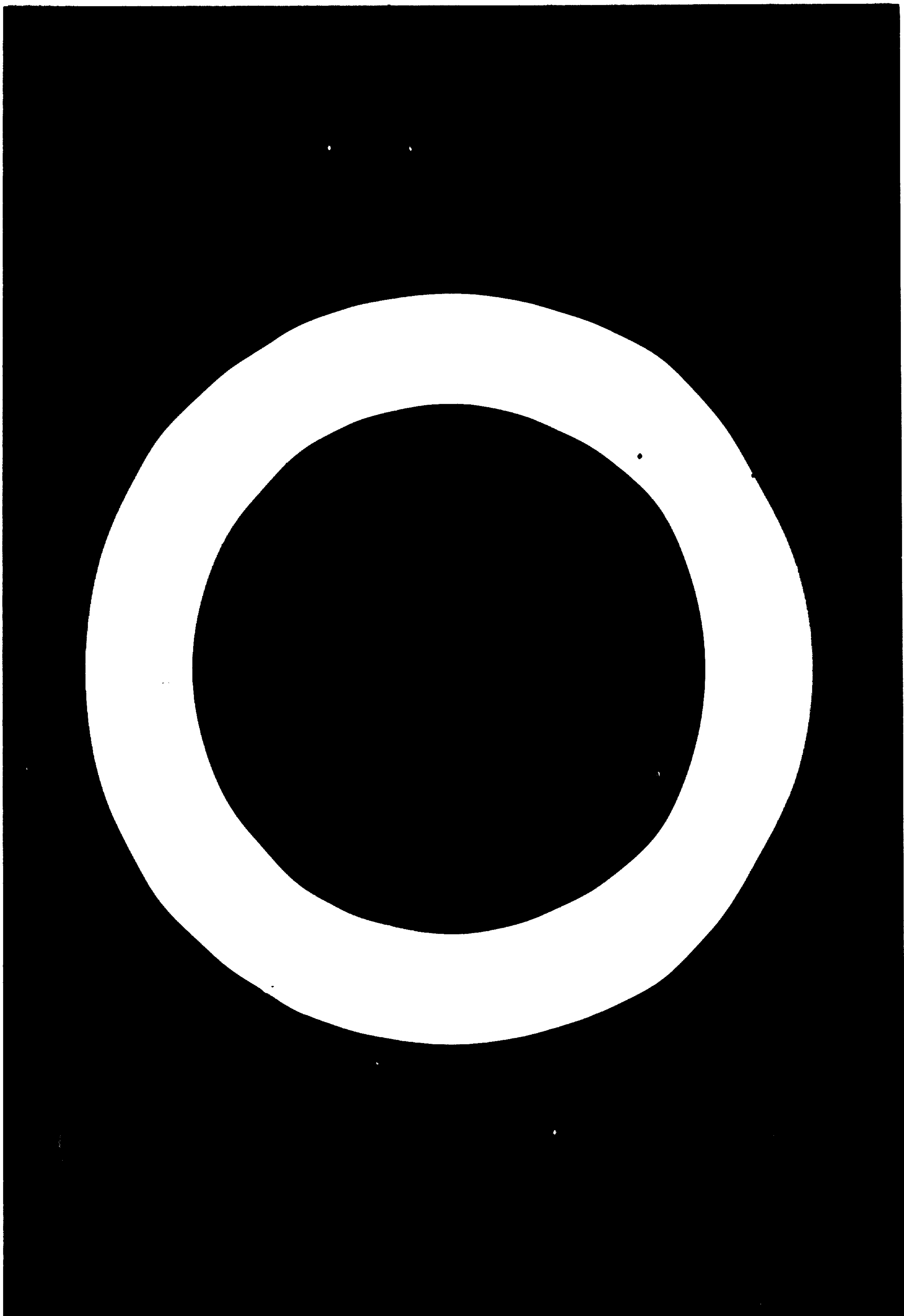


Table 11. Domestic fixed investment and domestic savings, 1968
(in million US dollars)

Country	Domestic savings			Domestic fixed investment		
		As percentage of GDP			As percentage of GDP	
	Value (million dollars)	At market prices	At factor cost	Value (million dollars)	At market prices	At factor cost
Algeria	...	...	...	...	...	...
Bahrain	...	...	...	...	...	...
Democratic Yemen	...	...	...	...	...	...
Egypt	784.0	12.6	14.6	766.4	12.4	14.2
Iraq	592.8	20.0	21.4	431.8	14.6	15.6
Jordan	109.2	20.9	23.1	84.0	16.0	17.8
Kuwait	985.6	37.0	37.2	439.6	16.5	16.6
Lebanon	52.8	3.9	4.2	247.4	18.4	19.8
Libyan Arab Republic	1 078.0	34.7	35.9	812.0	26.1	27.1
Morocco	513.8	16.9	18.5	389.3	12.9	14.1
Oman	...	...	...	...	...	...
Qatar	...	...	...	...	...	...
Saudi Arabia	1 359.3	38.1	38.7	593.9	16.7	16.9
Sudan	174.9	10.4	11.6	203.6	12.2	13.5
Syrian Arab Republic	168.5	11.7	12.4	205.5	14.2	15.1
Tunisia	190.2	17.0	20.0	244.8	21.9	35.2
United Arab Emirates	...	...	...	...	...	...
Yemen	...	...	...	37.6 a/	7.6 a/	...

a/ For 1969.

Table 12. Exports of Arab countries, 1970
(Thousand dollars)

To \ From	Algeria	Bahrein	Egypt	Iraq	Jordan	Kuwait	Lebanon	Libyan Arab Republic	Saudi Arabia	Sudan	Syrian Arab Republic	Tunisia	Yemen	Total	Share in total (percentage)
Total	1 0[illegible] 085	52 827	761 708	1 089 825	26 086	73 876	274 838	2 365 644	2 438 352	293 499	204 070	182 484	37 822	8 815 137	100
A. ARAB COUNTRIES	20 380	37 031	62 371	89 503	20 076	41 975	150 423	1 194	145 513	23 909	50 342	26 413	19 677	679 817	7.70
Algeria	-	-	4 267	-	-	1	3 295	440	7	1 110	93	7 705	-	16 918	0.19
Democratic Yemen	725	1	465	6 260	48	293	-		627	293	188	-	19 628	28 528	0.32
Egypt	2 802	30	-	9 982	581	1 167	8 794	263	106	14 336	6 039	295	-	44 405	0.50
Iraq	196	242	9 499	-	3 674	8 126	13 011	-	117	608	6 502	13	-	41 988	0.48
Jordan	81	10	3 298	1 631	-	1 483	14 182	4	9 203	810	7 651	-	-	38 353	0.43
Kuwait	1	6 286	2 183	5 688	3 690	-	27 539	13	2 634	94	3 542	2	-	54 043	0.61
Lebanon	394	199	3 680	31 901	4 015	4 193	-	134	8 575	736	23 470	13	-	77 310	0.88
Libyan Arab Republic	961	-	4 411	-	28	12	21 368	-	34	21	1 119	16 90[illegible]	-	44 855	0.41
Morocco	13 257	-	1 371	-	-	1	677	190	3	-	12	1 318	-	16 829	0.19
Saudi Arabia	-	2 343	3 583	1 277	3 735	10 910	44 121	20	-	5 699	1 134	8	49	96 879	1.10
Sudan	-	-	16 841	377	-	1 311	845	1	966	-	309	13	-	20 663	0.23
Syrian Arab Republic	435	-	10 773	22 671	4 138	1 377	16 309	4	225	115	-	145	-	56 192	0.64
Tunisia	819	-	472	4 867	-	2	64	125	2	41	3	-	-	6305	0.07
Yemen	719	1	1 369	108	-	24	47	-	27	45	36	-	-	2 376	0.03
Other	-	3 919	159	2 370	157	13 075	171	-	122 987	1	244	-	-	143 083	1.62
B. EUROPEAN COUNTRIES	911 915	1 302	553 212	808 019	2 825	5 003	59 226	2 209 633	1 073 526	173 407	108 624	141 312	12 971	6 060 995	68.74
EEC countries	738 378	343	73 241	611 141	6	893	26 451	1 660 293	741 808	75 566	60 663	104 369	360	4 097 512	46.48
Belgique and Luxembourg	20 456	-	6 566	13 882	-	28	1 766	91 470	55 694	5 739	990	2 804	152	199 547	2.26
France	537 730	94	15 012	169 125	3	172	5 069	318 652	153 804	5 491	10 440	44 539	15[illegible]	1 261 287	14.31
Germany, Federal Republic of	129 090	80	20 553	40 354		354	3 758	412 83[illegible]	49 738	[illegible]	4 552	[illegible]	-	[illegible]	[illegible]
Italy	42 285	-	25 314	314 654	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Netherlands	8 817	109	5 796	73 126	-	146	2 017	223 599	270 615	9 576	728	1 647	-	546 236	6.20
EFTA countries	61 810	958	25 533	75 915	6	3 807	13 539	435 183	218 376	20 681	5 446	12 180	603	874 038	9.91
Austria	1 620	-	1 723	2 156	-	66	371	3 329	-	731	48	690	-	10 735	0.12
Denmark	2 088	5	1 504	4	-	7	979	19 142	13 103	275	1 081	307	101	38 517	0.44
Norway	1 988	-	623	22	-	11	88	12 308	9 566	245	-	507	-	25 358	0.29
Portugal	-	-	-	30 095	-	-	368	-	9 272	-	359	-	-	40 094	0.45
Sweden	1 920	2	1 716	5 331	-	7	579	5 865	-	937	233	1 514	-	18 104	0.20
Switzerland	12 986	6	5 716	220	-	347	3 138	36 548	1 384	1 328	2 838	4 394	502	69 407	0.79
United Kingdom of Great Britain and Northern Ireland	41 287	946	14 251	38 087	6	3 369	8 016	357 991	185 051	17 165	886	4 768	-	671 823	7.62
Eastern European countries	77 217	-	412 909	15 251	607	265	10 444	839	-	65 922	36 764	17 935	12 008	650 161	7.38
Albania	19	-	1 688	-	-	-	-	-	-	-	-	-	-	1 707	0.02
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	215	458	46	-	627	5 535	4 229	-	36 918	0.42

Belgium and Luxembourg	20 455	-	5 565	[illegible]	-	28	1 766	91 470	55 594	5 739	390	2 904	152	199 547	2.2[illegible]
France	537 730	94	15 012	169 125	3	172	5 069	318 652	153 804	6 491	10 440	44 539	156	1 261 287	14.31
Germany, Federal Republic of	129 090	80	20 553	40 354	-	354	3 768	412 837	49 738	28 476	4 552	17 701	-	707 506	8.02
Italy	47 285	-	25 314	314 654	-	193	13 831	113 735	257 9[illegible]	29 287	43 357	[illegible]	[illegible]	[illegible]	[illegible]
Netherlands	8 817	169	5 796	73 126	-	146	2 017	223 599	270 615	9 576	728	1 547	-	546 236	6.20
EFTA countries	61 810	959	25 533	75 915	6	3 807	13 539	435 183	218 376	20 681	5 446	12 180	603	874 038	9.91
Austria	1 620	-	1 723	2 156	-	66	371	3 329	-	731	49	690	-	10 735	0.12
Denmark	2 080	5	1 504	4	-	7	979	19 142	13 103	275	1	307	101	38 517	0.44
Norway	1 900	-	623	22	-	11	88	12 308	9 566	245	-	507	-	25 358	0.29
Portugal	-	-	-	30 085	-	-	368	-	9 272	-	359	-	-	40 094	0.45
Sweden	1 920	2	1 716	5 331	-	7	579	5 865	-	937	233	1 514	-	18 104	0.20
Switzerland	12 986	6	5 716	220	-	347	3 138	36 548	1 384	1 328	2 838	4 394	502	69 407	0.79
United Kingdom of Great Britain and Northern Ireland	41 287	946	14 251	38 087	6	3 369	8 016	357 991	185 051	17 165	886	4 768	-	671 823	7.62
Eastern European countries	77 217	-	412 908	15 251	607	265	10 444	839	-	65 922	36 764	17 935	12 008	650 161	7.38
Albania	19	-	1 688	-	-	-	-	-	-	-	-	-	-	1 707	0.02
Bulgaria	12 921	-	11 456	1 280	-	216	468	86	-	627	5 535	4 229	-	36 818	0.42
Czechoslovakia	1 633	-	36 225	669	540	6	2 649	1	-	4 598	3 025	1 804	-	51 150	0.58
German Democratic Republic	1 735	-	45 342	981	-	-	1 299	-	-	1 863	4 085	1 701	-	56 986	0.65
Hungary	1 853	-	17 335	639	-	11	616	-	-	4 342	3 080	26	-	28 002	0.32
Poland	5 501	-	17 220	8	-	1	779	18	-	4 766	1 966	6 710	-	37 049	0.42
Romania	4 576	-	2 029	5 963	67	3	803	734	-	183	1 782	684	-	16 324	0.18
Union of Soviet Socialist Republics	48 790	-	281 614	5 731	-	28	3 830	-	-	49 543	17 791	2 781	12 008	422 125	4.79
Other countries	34 510	-	41 529	105 712	2 206	38	8 792	113 318	113 342	7 238	5 771	6 828	-	439 284	4.97
Cyprus	79	-	781	22	-	14	3 060	-	-	14	393	-	-	4 343	0.05
Finland	335	-	2 382	4	-	2	45	515	301	1 046	-	93	-	4 733	0.05
Greece	724	-	7 335	50 863	-	10	1 980	4 467	6 760	1 174	72	1 922	-	75 307	0.85
Ireland	5 280	-	7	1 701	-	-	43	-	2 798	-	-	1 307	-	11 145	0.13
Spain	25 125	-	12 119	25 732	-	5	339	107 435	103 483	2 173	3 727	613	-	280 751	3.18
Yugoslavia	2 958	-	18 915	27 390	2 206	7	3 325	901	-	2 831	1 579	2 893	-	63 005	0.71
C. ASIA	13 320	2 877	107 578	54 028	3 074	21 842	7 191	13 043	1 036 944	78 710	41 351	5 011	4 962	1 390 031	15.75
Afghanistan	-	5	-	-	50	448	-	-	-	509	-	-		509	0.01
China	8 935	8	17 749	4 036	563	2 103	6	-	-	17 228	15 947	-	-	[illegible]	[illegible]
Democratic People's Republic of Korea	-	-	1 495	-	-	-	-	-	-	-	-	-	-	[illegible]	[illegible]
Hong Kong	-	49	37	9	-	128	61	-	15 373	4 547	-	-	-	[illegible]	[illegible]
India	555	224	41 354	3 741	708	4 900	239	1	[illegible]	30 [illegible]	-	-	-	[illegible]	1.2[illegible]
Indonesia	-	2	12 2[illegible]	13	-	1 259	14	-	12 072	-	-	1[illegible]	-	[illegible]	[illegible]
Iran	-	1 894	-	204	361	9 517	518	-	1 690	119	39	935	-	15 377	0.17
Japan	3 351	648	24 373	167	48	2 274	439	5 854	516 341	26 733	14 296	42	4 470	599 036	6.79
Pakistan	8	144	550	669	344	1 405	714	-	8 897	97	1	3 030	-	15 859	0.18
Republic of Korea	-	-	488	-	-	6	-	-	423 393	-	-	-	492	424 379	4.81
Sri Lanka	-	2	5 141	1 160	42	135	362	-	-	11	9	-	-	6 862	0.08
Thailand	-	1	25	2 201	-	1	16	-	23 435	245	-	4	-	25 928	0.29
Turkey	471	-	4 158	41 824	1 006	64	4 194	7 188	5 735	53	11 057	897	-	76 649	0.87

Ireland	5 289	-	7	1 701	-	-	43	-	2 798	-	-	1 307	-	11 145	0.13
Spain	25 125	-	12 119	25 732	-	5	339	187 435	103 483	2 173	3 727	613	-	280 751	3.18
Yugoslavia	2 958	-	18 915	27 390	2 206	7	3 325	901	-	2 831	1 579	2 893	-	63 005	0.71
C. ASIA	13 320	2 977	107 578	54 028	3 074	21 842	7 191	13 043	1 036 944	78 710	41 351	5 011	4 962	1 390 031	15.75
Afghanistan	-	5	-	-	50	448	-	-	-	508	-	-		509	0.01
China	8 935	8	17 749	4 036	563	2 103	6	-	-	17 228	15 947	-	-	66 575	0.75
Democratic People's Republic of Korea	-	-	1 495	-	-	-	-	-	-	-	-	-	-	1 495	0.02
Hong Kong	-	40	37	9	-	128	81	-	15 373	4 047	-	-	-	19 724	0.22
India	555	224	41 354	3 741	708	4 900	299	1	30 008	30 177	-	-	-	111 967	1.27
Indonesia	-	2	12 208	13	-	1 259	14	-	12 072	-	-	[illegible]	-	[illegible]	0.29
Iran	-	1 894	-	204	361	9 517	518	-	1 690	119	39	935	-	15 377	0.17
Japan	3 351	648	24 373	167	48	2 274	439	5 854	516 341	26 733	14 296	42	4 470	599 036	6.79
Pakistan	8	144	550	669	344	1 405	714	-	8 897	97	1	3 030	-	15 859	0.18
Republic of Korea	-	-	480	-	-	6	-	-	423 393	-	-	-	492	424 379	4.81
Sri Lanka	-	2	5 141	1 160	42	135	362	-	-	11	9	-	-	6 862	0.08
Thailand	-	1	25	2 201	-	1	16	-	23 435	245	-	4	-	25 928	0.29
Turkey	471	-	4 158	41 824	1 008	64	4 194	7 180	5 735	53	11 057	887	-	76 649	0.87
D. AFRICA	16 031	30	9 875	32 485	-	550	2 640	2	62 783	427	33	3 465	-	128 331	1.54
Ethiopia	-	1	130	78	-	151	272	-	63	146	-	2	-	851	0.01
Ghana	357	-	1 196	-	-	-	677	-	-	-	-	2 882	-	5 112	0.06
Guinea	126	-	775	-	-	1	10	-	105	-	-	-	-	1 017	0.01
Ivory Coast	9 312	-	1 911	1	-	-	93	-	-	-	-	438	-	11 755	0.13
Kenya	43	6	99	33	-	56	40	-	10 547	16	-	-	-	10 840	0.12
Liberia	441	-	681	-	-	-	720	-	2 443	-	3	-	-	4 288	0.05
Nigeria	1 306	-	2 850	1	-	80	387	2	84	1	-	8	-	4 807	0.05
Senegal	4 306	-	182	39	-	-	40	-	660	-	30	135	-	5 401	0.06
Somalia	54	-	522	183	-	163	43	-	23	-	23	231	-	1 219	0.01
South Africa	-	23	-	32 132	-	3	-347	-	45-180	-	-	-	-	77 694	0.98
Uganda	-	-	51	1	-	-	-	-	-	33	-	-	-	85	-
United Republic of Tanzania	6	-	1 470	27	-	88	2	-	3 669	-	-	-	-	5 262	0.06
E. AMERICAS	33 928	1 062	10 790	66 806	6	2 416	12 882	70 088	85 413	12 400	3 485	2 808	-	302 353	3.43
Argentina	702	-	-	88	-	-	5	-	1 880	13	-	2	-	2 681	0.03
Brazil	19 971	-	2 031	45 332	-	-	40	6 807	50 171	6	3	1 076	-	125 437	1.42
Canada	134	8	527	931	-	3	518	10	10 805	849	6	27	-	13 818	0.16
Cuba	4 904	-	1 730	-	-	-	-	-	-	-	2 704	-	-	9 427	0.11
Mexico	-	-	230	14	-	-	6	38	-	62	-	-	-	350	-
United States of America	8 137	1 054	6 272	20 530	6	2 413	12 323	63 233	22 557	11 550	772	1 783	-	150 630	1.71
F. OCEANIA	50	59	115	20 617	-	72	124	153	48 772	606	-	4	-	70 572	0.80
Australia	50	50	115	20 556	-	39	124	153	43 705	537	-	4	-	65 342	0.74
New Zealand	-	-	-	61	-	33	-	-	5 067	69	-	-	-	5 230	0.06

Source: League of Arab States, Statistics Department, "Foreign trade statistics" (Cairo), pp. 43-50.

Table 13. Imports of Arab countries, 1970
(Thousand dollars)

From \ To	Algeria	Bahrein	Egypt	Iraq	Jordan	Kuwait	Lebanon	Libyan Arab Republic	Saudi Arabia	Sudan	Syrian Arab Republic	Tunisia	Yemen	Total	Share in total (percentage)
Total	1 250 959	168 266	786 628	508 624	184 470	625 147	699 174	554 406	710 402	311 099	361 804	305 516	428 278	6 894 773	100
A. ARAB COUNTRIES	30 666	9 427	47 523	32 748	36 694	50 762	76 151	42 468	141 641	18 212	63 779	8 518	122 260	680 849	10.86
Algeria	-	-	2 795	216	120	147	337	457	1	1	692	1 973	-	6 739	0.10
Democratic Yemen	-	34	343	1	6	105	-	77	976	-	-	-	100 258	101 800	1.48
Egypt	3 673	107	-	9 579	5 746	2 749	4 391	4 464	3 704	15 286	11 369	520	13 886	75 474	1.08
Iraq	-	1 761	5 812	-	1 033	8 814	29 439	-	2 053	271	23 342	4 922	7 545	84 992	1.23
Jordan	-	18	313	2 761	-	5 062	5 983	22	10 100	4	4 294	-	5	28 562	1.40
Kuwait	-	1 248	1 042	1 793	53	-	1 795	2	14 083	697	491	-	28	21 833	0.32
Lebanon	4 148	1 986	8 924	13 820	12 345	27 281	-	15 760	80 682	1 438	22 764	86	74	189 418	2.75
Libyan Arab Repub	38	-	242	1	-	1	290	-	-	4	75	34	-	686	0.01
Morocco	10 905	8	386	352	412	386	1 204	3 182	112	-	476	859	-	18 122	0.26
Saudi Arabia	-	1 275	1 410	1 338	7 120	1 978	7 202	37	-	35	129	-	259	20 783	0.30
Sudan	1 146	-	17 176	222	921	34	973	208	5 607	-	141	118	27	26 733	0.39
Syrian Arab Republic	86	148	8 524	2 160	8 938	3 225	24 391	1 609	11 383	460	-	6	178	61 108	0.89
Tunisia	10 669	10	16	29	-	11	20	16 650	6	15	-	-	-	27 426	0.40
Yemen	-	11	2	34	-	1	19	-	810	-	1	-	-	878	0.01
Other	-	2 810	18	342	-	888	107	-	12 124	1	5	-	-	16 295	1.24
B. EUROPEAN COUNTRIES	1 021 515	84 433	543 035	331 835	92 153	273 156	473 015	359 114	255 696	162 110	201 013	219 649	181 590	4 198 314	60.81
EEC countries	818 356	20 045	189 280	100 752	35 625	135 037	205 127	228 448	166 175	48 576	78 389	166 250	76 646	2 268 706	32.80
Belgium and Luxembourg	43 473	1 179	3 567	26 159	4 637	7 240	13 671	6 194	14 455	5 962	6 817	5 827	525	139 706	2.03
France	530 492	1 886	58 208	30 001	4 614	29 948	65 235	95 067	19 551	4 928	16 912	105 823	50 801	953 476	13.83
Germany, Federal Republic of	124 958	5 636	61 265	18 086	16 554	52 333	60 453	50 260	69 510	22 404	24 671	25 941	4 757	536 829	7.78
Italy	91 029	3 318	52 021	15 289	6 258	30 051	45 780	119 594	31 614	6 978	23 564	22 030	14 083	461 609	6.69
Netherlands	28 403	016	14 219	11 217	3 562	15 465	19 988	17 333	31 045	8 304	6 425	6 629	6 480	177 086	2.47
EFTA countries	80 947	62 363	65 699	111 098	31 841	100 832	190 73[illegible]	65 223	71 243	65 097	35 55[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	10 083	949	2 709	6 795	1 498	2 668	8 09[illegible]	2 595	1 325	4 534	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	4 532	2 075	4 924	10 314	1 719	8 973	4 192	3 063	1 955	1 481	[illegible]	1 952	[illegible]	48 353	[illegible]
Norway	1 522	399	308	1 525	143	807	1 278	560	138	311	80	563	[illegible]	[illegible]	[illegible]
Portugal	-	32	-	2 608	442	11	1 47[illegible]	-	427	1	-	-	-	4 992	[illegible]
Sweden	10 021	5 264	9 941	20 749	2 097	4 488	9 02[illegible]	2 433	6 179	3 864	4 241	3 930	319	82 551	1.20
Switzerland	12 353	1 346	16 875	8 006	1 257	9 914	67 04[illegible]	5 450	9 944	3 422	7 706	2 960	71	166 953	2.42
United Kingdom of Great Britain and Northern Ireland	41 831	52 298	30 942	[illegible]1 101	24 685	73 951	[illegible]	52 022	51 274	51 484	14 263	8 680	36 316	578 477	8.39
[illegible]	[illegible] 446	1 553	230 615	10[illegible] 91[illegible]	18 307	29 373	58 39[illegible]	43 921	15 420	43 569	76 441	20 167	64 503	777 044	11.27
										-	-	-	-	706	0.01

B. EUROPEAN COUNTRIES	1 021 515	84 433	543 035	331 835	92 153	273 156	473 015	359 114	255 696	162 110	201 013	219 649	181 590	4 198 314	60.81
EEC countries	818 356	20 045	189 280	100 752	35 625	135 037	205 127	228 448	166 175	48 576	78 389	166 250	76 646	2 268 706	32.80
Belgium and Luxembourg	43 473	1 179	3 567	25 159	4 637	7 240	13 671	6 194	14 455	5 962	6 817	5 827	525	139 706	2.03
France	530 492	1 896	58 208	30 001	4 614	29 948	65 235	35 067	19 551	4 928	16 912	105 823	50 801	953 476	13 .83
Germany, Federal Republic of	124 959	5 636	61 265	18 086	16 554	52 333	60 453	50 260	69 510	22 404	24 671	25 941	4 757	536 829	7.78
Italy	91 029	3 318	52 021	15 289	6 258	30 051	45 780	119 594	31 614	6 978	23 564	22 030	14 083	461 609	6.69
Netherlands	28 403	016	14 219	11 217	3 562	15 465	19 988	17 333	31 045	8 304	6 425	6 629	6 480	177 086	2.47
EFTA countries	80 947	62 363	65 699	111 098	31 841	100 832	190 737	65 223	71 243	65 097	35 556	2 175	37 776	941 562	13.59
Austria	10 083	949	2 709	6 795	1 498	2 688	8 092	2 595	1 326	4 534	7 095	7 070	57	55 501	0.80
Denmark	4 532	2 075	4 924	10 314	1 719	8 973	4 192	3 063	1 955	1 481	2 171	1 952	1 002	48 353	0.70
Norway	1 522	389	308	1 525	143	807	1 278	660	138	311	80	583	1	7 755	0.11
Portugal	-	32	-	2 608	442	11	1 477	-	427	1	-	-	-	4 992	0.07
Sweden	10 021	5 264	9 941	20 749	2 087	4 488	9 025	2 433	6 179	3 864	4 241	3 930	319	82 551	1.20
Switzerland	12 953	1 346	16 875	8 006	1 257	9 914	87 049	5 450	9 944	3 422	7 706	2 960	71	166 953	2.42
United Kingdom of Great Britain and Northern Ireland	41 831	52 298	30 942	61 101	24 685	73 951	79 638	52 022	51 274	51 484	14 263	8 680	36 316	578 477	8.39
Eastern European countries	67 846	1 553	230 615	106 917	18 307	29 373	58 392	43 921	15 420	43 569	76 441	20 187	64 503	777 044	11.27
Albania	-	1	679	-	-	-	-	26	-	-	-	-	-	706	0.01
Bulgaria	5 796	98	7 967	9 762	2 436	2 382	7 202	6 039	47	433	3 831	2 747	2 829	51 569	0.75
Czechoslovakia	3 088	700	31 370	13 187	2 044	3 838	11 615	4 347	3 117	2 504	13 445	2 550	1 220	93 025	1.35
German Democratic Republic	6 307	115	35 636	8 055	932	1 929	2 903	862	1	2 012	9 676	768	7 228	76 424	1.11
Hungary	2 000	-	10 730	5 682	1 369	3 664	7 155	4 077	1 289	3 964	3 502	373	93	43 898	0.64
Poland	3 014	410	22 782	14 363	1 084	2 419	2 708	6 231	1 805	5 502	5 601	9 250	1 506	76 675	1.11
Romania	2 361	130	25 891	1 930	3 884	6 535	13 024	12 472	2 059	5 241	12 555	935	154	87 171	1.26
Union of Soviet Socialist Republics	45 280	99	95 560	53 938	6 558	8 606	13 785	9 867	7 102	23 913	27 831	3 564	51 473	347 576	5.04
Other countries	54 371	472	57 441	13 068	6 380	7 914	18 759	20 522	2 858	4 868	10 527	8 037	2 665	207 982	3.05
Cyprus	24	177	136	-	148	850	864	1 098	110	19	79	-	3	3 510	0.08
Finland	7 988	55	2 726	2 561	512	389	2 755	661	212	382	809	524	1	19 575	0.28
Greece	636	41	5 778	2 430	1 744	1 221	4 215	6 480	152	553	1 542	705	12	25 509	0.37
Ireland	1 696	37	340	242	-	659	1 043	638	29	13	1 190	891	-	6 783	0.10
Spain	40 415	114	28 055	4 175	1 221	2 386	7 266	4 406	795	629	5 652	3 290	2 551	100 955	1.46
Yugoslavia	3 612	48	20 406	3 660	2 755	2 408	2 608	7 239	1 560	3 272	1 355	2 627	98	51 650	0.75
C. ASIA	32 595	51 794	111 705	80 826	23 322	182 214	57 758	60 125	128 247	73 005	42 238	9 333	49 583	902 739	13.09
Afghanistan	-	-	7	47	-	9	2 813	-	-	-	14	-	-	2 890	0.04
China	12 351	8 591	15 313	22 808	4 192	20 354	9 179	10 580	-	11 571	9 890	152	9 106	134 173	1.94
Democratic People's Republic of Korea	250	8	1 327	525	-	-	-	-	1 197	6	480	-	-	3 793	0.05
Hong Kong	168	5 240	81	34	762	13 240	2 478	7 401	5 797	493	290	44	2 371	38 399	0.56
India	1 497	7 028	62 482	14 788	4 578	23 343	2 082	2 425	22 696	40 851	2 891	2 330	6 277	193 268	2.80
Indonesia	253	32	543	-	238	48	[illegible]	1	21	-	-	57	7	1 206	0.02

Hong Kong	168	5 240	81	34	762	13 240	2 478	7 401	5 797	493	290	44	2 371	38 399	0.56
India	1 497	7 028	62 482	14 788	4 578	23 343	2 082	2 425	22 696	40 851	2 891	2 330	6 277	193 268	2.80
Indonesia	253	32	543	-	238	48	6	1	21	-	-	57	7	1 206	0.02
Iran	57	2 666	92	149	179	13 627	1 926	289	738	102	221	23	635	17 704	0.26
Japan	14 316	20 841	11 854	15 698	10 833	95 049	26 802	31 125	69 832	16 164	21 119	827	[illegible]	[illegible]	[illegible]
Pakistan	356	6 122	5 143	6 220	697	9 750	473	623	6 872	1 676	631	488	1 376	40 427	0.59
Republic of Korea	348	62	-	472	235	1 345	-	-	52	88	259	-	1	2 862	0.04
Sri Lanka	21	830	10 247	~~10 769~~	566	5 083	1 530	5 862	6 958	1 986	2 135	2 050	4 940	52 947	0.77
Thailand	87	269	246	1 061	-	1 754	156	7	14 016	-	4	160	-	17 760	0.26
Turkey	2 881	5	4 370	8 175	1 042	1 612	10 335	1 806	70	68	4 304	3 202	303	38 183	0.55
D. AFRICA	5 568	1 756	6 375	2 267	747	4 170	4 389	948	27 378	6 650	2 013	871	8 957	72 099	1.05
Ethiopia	93	161	186	44	151	67	1 046	18	7 586	352	111	4	5 400	15 229	0.22
Ghana	1	-	2 401	6	-	-	428	-	-	-	-	-	-	2 836	0.04
Guinea	-	-	48	15	-	2	104	-	136	-	55	-	-	360	0.01
Ivory Coast	5 250	2	5	5	-	14	329	219	-	-	3	865	-	6 692	0.10
Kenya	5	485	1 804	952	442	1 563	108	492	420	1 280	214	-	2 102	9 008	0.13
Liberia	-	-	32	-	-	-	12	-	-	-	1	-	-	45	-
Nigeria	166	-	1 442	13	-	4	888	-	53	33	305	-	-	2 904	0.04
Senegal	53	-	44	5	-	3	138	-	-	-	63	2	-	308	-
Somalia	-	195	152	35	-	619	27	50	18 562	-	3	-	1 448	21 071	0.31
South Africa	-	801	-	-	-	-	975	-	248	-	248	-	-	2 272	0.03
Uganda	-	-	442	8	-	801	-	150	-	4 792	473	-	-	6 748	0.10
United Republic of Tanzania	-	212	580	1 184	154	1 017	363	19	363	193	537	-	7	4 628	0.07
E. AMERICA	150 978	12 804	53 138	25 118	24 425	85 988	81 450	79 393	128 198	10 672	48 968	64 043	3 128	768 304	11.14
Argentina	5 843	-	1 327	53	1 823	571	2 962	2 022	-	-	1 329	1 185	-	17 115	0.25
Brazil	25 245	312	336	243	1 229	579	4 381	184	154	283	767	4 387	19	38 139	0.55
Canada	15 918	79	3 344	4 761	786	1 952	4 966	534	1 578	2 206	25 525	6 682	14	68 345	0.99
Cuba	1 080	10	129	1 751	-	23	262	29	121	-	8 918	95	-	12 428	0.18
Mexico	2 491	197	2	21	-	12	363	155	-	-	8	10	-	3 258	0.05
United States of America	100 391	12 206	48 081	18 288	20 667	82 851	68 506	76 459	126 345	8 103	12 421	51 684	3 085	629 018	9.12
F. OCEANIA	363	2 332	8 168	752	258	14 990	7 131	2 252	21 044	11 253	580	467	53 427	123 017	1.78
Australia	149	2 327	7 841	688	258	14 747	7 131	2 200	20 887	11 051	244	96	53 427	121 046	1.75
New Zealand	214	5	327	64	-	243	-	52	157	202	336	371	-	1 971	0.03

Source: League of Arab States, Statistics Department, "Foreign trade statistics" (Cairo), pp. 43-50.

Table 14. Arithmetic mean of the value of exports and imports, from 1967 for stated number of years (Million dollars)

Country	Number of years for which data are available	Exports			Imports			Balance (A-B)
		Visible	Invisible	Total (A)	Visible	Invisible	Total (B)	
Algeria	4	874.3	...	...	930.0	...	...	...
Democratic Yemen	...	21.6	...	...	73.0	...	...	...
Egypt	4	673.7	214.7	888.4	720.0	372.9	1 092.9	-204.5
Iraq	3	969.0	57.1	1 026.1	423.0	121.4	544.4	481.7
Jordan	4	36.7	47.7	84.4	172.2	75.1	247.3	-162.9
Kuwait	3	1 393.3	227.0	1 620.3	616.6	97.4	714.0	906.3
Lebanon	2	128.5	152.6	281.1	471.5	54.9	526.4	-245.3
Libyan Arab Republic	3	1 733.3	39.1	1 772.4	599.0	325.9	924.9	847.5
Morocco	5	496.2	190.7	686.9	602.4	127.2	729.6	- 42.7
Saudi Arabia	2	1 865.0	125.2	1 990.2	568.0	97.5	665.5	1 324.7
Sudan	3	231.3	56.2	287.5	243.0	80.6	323.6	- 36.1
Syrian Arab Republic	3	179.3	96.7	276.0	315.0	25.3	340.3	- 64.3
Tunisia	5	175.9	114.0	289.9	281.3	78.0	359.3	- 69.4

Source: IMF, International Financial Statistics, 1972 Supplement (Washington, D.C.).

Table 15. Arithmetic mean of the value of foreign reserves and foreign assets in commercial banks, 1967-1971
(Million dollars)

Country	Foreign reserves: Gold	Special drawing rights	Position in IMF	Reserves of foreign currency	Total	Foreign assets in commercial banks	Total government reserves
Algeria	192.8	8.8	24.2	211.8	437.6	125.9	563.5
Democratic Yemen	1.0	1.4	2.0	58.1	62.5	12.7	75.2
Egypt	93.0	1.6	...	72.8	167.4	107.4	274.8
Iraq	159.8	2.5	8.0	301.5	471.8	24.5	496.3
Jordan	24.1	1.6	4.6	229.5	259.8	14.3	274.1
Kuwait	104.9	...	16.2	84.8	205.9	1 065.4	1 271.3
Lebanon	281.1	...	2.3	95.1	378.5	577.0	955.5
Libyan Arab Republic	83.2	...	5.4	1 130.8	1 219.4	14.7	1 234.1
Morocco	21.4	0.6	2.6	93.2	117.8	33.7	151.5
Saudi Arabia	111.0	...	25.6	693.2	829.8	89.3	919.1
Sudan	...	...	...	37.8	37.8	1.9	39.7
Syrian Arab Republic	26.6	...	...	42.0	68.6	97.4	166.0
Tunisia	4.4	0.4	...	59.2	64.0	10.2	74.2
Total	1 103.3	16.9	90.9	3 109.8	4 320.9	2 174.4	6 495.3

Source: IMF, International Financial Statistics, 1972 Supplement (Washington, D.C.)