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PRIVATE ENTERPRISE PROGRAMS AND PROJECTS
A Cumulative Activity and Progress Report
March, 1959 through June, 1961

Investment Development Division
Office of the Deputy Director for
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Private enterprise programs and projects

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I. LATIN AMERICA

PRIVATE ENTERPRISE PROGRAMS AND PROJECTS

The private enterprise program in Latin America got into high gear early in March 1961. Prior to that time a thorough study had been made of the Development Bank of Guatemala (INFOP) and an analysis had been made of the industrial potential of British Guiana. In Ecuador two industrial feasibility studies had been completed: basic chemical fertilizers and solar salt. These were circulated to potential investors through the Department of Commerce. The Office for Private Enterprise also participated in the planning which led to the establishment of two new development banks: the Central American Bank for Economic Integration and the Development Bank of the West Indies Federation.

During the last six months a solid foundation has been laid for a broad private enterprise development program in Latin America. Nine teams, comprising a total of 35 experts, have been sent to nine countries to make thorough private investment studies, complete with recommendations on what action must be taken to accelerate the development of private enterprise in each country. Each team has interviewed hundreds of businessmen and key government officials in each country. This activity has created a deep understanding of and interest in the importance of the role of private initiative in economic development and in the expansion of job opportunities through the private investment process.

Eight of the nine teams have now returned, and seven have submitted either their preliminary or final reports. Each of these reports emphasizes the need for specific legislation and for institutional changes. Although the recommendations for different countries vary, each report emphasizes the need for (1) a financial institution, with private participation or control, to make long-term capital available to small and medium size industry, and (2) a technical institution adequately staffed to discover new opportunities, to stimulate and to promote development, and to aid new and emerging private enterprises.

Within the next few months three more similar teams will go into the field to study three additional countries. A total of twelve countries will then have been studied in depth. These studies lay the foundation for activating one of the key recommendations of the Inter-American Economic Conference at Punta del Este:

"To stimulate private enterprise in order to encourage the development of Latin American economies at a rate which will help them to provide jobs for the growing populations, to eliminate unemployment, and to take their place among the modern industrialized nations of the world."

The twelve studies will provide those countries with an action blueprint on how to proceed. The basic issue now becomes how to stimulate

the countries to take action on those reports. The question which the AID must decide is: what technical and financial resources it desires to commit, and how to organize itself for that purpose.

The following is a country by country analysis of the current status of the private enterprise program on Latin America.

ARGENTINA

The investment team to Argentina has recommended the following major changes:

1. A thorough revision of the tariff structure to bring more competition into Argentina, forcing the modernization of the industries and the reduction of their costs and prices.

2. The reorganization of the Banco Industrial to make it an effective financing institution for industrial development.

3. The establishment of a new Industrial Development Center to stimulate the growth of private enterprise.

BOLIVIA

The Office for Private Enterprise assisted the ICA Mission in finding a new supervisor for the Industrial Credit Program, through which U. S. owned local currency is loaned to private industry for development and operating purposes. We are interested in evolving this program into a genuine industrial development bank.

BRAZIL

Brazil is one of the three countries which has recently requested an overall national private investment diagnostic study for the current year. That study will probably be started early in January. Before that is undertaken, however, a special study will be made of the Rio de Janeiro area (Guanabara) in order to determine how to stimulate enough new private enterprise to fill the gap created by the removal of the capital to Brasilia. A team is scheduled to arrive in Rio on September 25.

CHILE

The investment team to Chile is recommending:

1. That a private development bank be established with authority to sell stock to the public, to be financed initially by the Chilean Government, the local banks and the international agencies.

2. That CORFO, the Economic Development Agency of Chile, expand its functions to include research in new industrial opportunities and the promotion of regional development and reconstruction.

3. That the Servicio de Cooperacion Technico should give managerial assistance to new industries aided by the new industrial development bank.

COLOMBIA

The team which went to Colombia has made many ~~notion~~ recommendations. It especially emphasizes the need for an effective development corporation to promote, stimulate and counsel the growth of private enterprise. It recommends to ICA the need for expert personnel to advise this new institution, and also to aid several of the other existing planning and service institutions which, if properly operated, could better serve the growth of Colombia. Because of the potentially wide support forthcoming from private industrialists, Colombia presents an especially fruitful opportunity to carry on a convincing demonstration of what private enterprise can do to modernize a country.

A professional study of the feasibility of establishing a modern meat packing industry has just been made; it indicates that the possibilities of supplying both domestic and foreign consumers are good.

COSTA RICA

A consulting team has recently left for San Jose to diagnose the private investment situation of Costa Rica. It is under special instruction to study the role of Costa Rica in the integration of Central America. The project is sponsored by ANFE, an association of private businessmen, which is putting considerable resources into the project. The team will develop a plan which could be implemented by the new administration to be elected early in 1962.

ECUADOR

The work of the private investment team to Ecuador crystallized the understanding in Ecuador of the importance of private enterprise, and stimulated plans for the establishment of a private development bank. The Government, through USOM, requested that two members of our team return to Ecuador to carry forward this recommendation. They are now in Quito.

EL SALVADOR

The team in El Salvador also came to the conclusion that a private development bank was necessary in that country. It recommended the strengthening of the "Development Center" and the need for a number of industrial feasibility studies.

GUATEMALA

Guatemala is another of the countries in which a thorough private investment survey will be undertaken very shortly. The Development Bank of Guatemala has, however, already been studied by an ICA team, and fundamental changes were recommended two years ago. The Minister of Finance has now asked ICA to send back the same firm which did the earlier study, in order to help the Government make a thorough revision of development banking in Guatemala. We are executing a contract to have one member of that firm serve in Guatemala over a period of one year and another to make intermittent visits.

As soon as the Guatemalan and Costa Rican diagnostic surveys are completed, it is planned that the leaders of the several teams to Central

America will be brought together in an attempt to produce a consolidation of their recommendations on the economic integration of Central America.

HONDURAS

A thorough diagnostic study of the investment possibilities of this most depressed country of Central America has been made. The study shows that the prevailing pessimism is not justified and that Honduras has a reasonably bright future. The study recommends a new industrial development corporation, largely controlled by private groups. It also points out that there are some 140 industrial possibilities which should be investigated by a strengthened Development and Productivity Center.

MEXICO

Mexico has asked for a diagnostic survey of the problems and potentialities of small and medium size industry, with special emphasis on decentralization of industrial development from the capital city. This survey will probably start early in January 1962.

NICARAGUA

A thorough study has been made of the problems and potentialities of private enterprise in Nicaragua, with recommendations on how to improve both the flow of financial aid and technical know-how. The recommendations include a large number of feasibility studies which should be undertaken.

PANAMA

A diagnostic study has also been made of the problems of private enterprise in Panama. The major recommendations were the need for establishing a private development bank and the need to improve the development center.

Two feasibility studies have been completed, on Paper and Pulp and on Particle Board and Veneer.

II. FAR EAST

PRIVATE ENTERPRISE PROGRAMS AND PROJECTS

Activities have involved all of the Far East countries with primary emphasis on Thailand and Taiwan. Major developments are anticipated in Korea, Philippines, Indonesia and Vietnam during the coming year and increased activities are expected in Burma and Cambodia. Activities in Japan will be limited to the training of third country participants in various phases of private enterprise and to the encouragement of Japanese private investments in other countries of the region. Developments in Laos are subject to restoration of political stability and adequate security.

All of the ICA overall country development plans in the Far East call for attention to the private sector and there is high anticipation in some countries of an increased flow of private investment from both local and outside sources. While most of the specialized services for encouraging private investments provided in the Far East during the past year and a half were financed under the ICA Investment Incentive Program of 1960 (\$733,000), continuing and new activities will be financed from regular program funds in fiscal year 1962.

The results in terms of approved new investments in the Republic of China, Thailand and Vietnam have been most gratifying. Of more importance are the increased indications of changes in attitude and concept favorable to private enterprise on the part of Governments and the general public. These developments support the validity of our approach and justify an increased tempo of activity.

REPUBLIC OF CHINA (TAIWAN)

The encouragement and promotion of private investment, both domestic and foreign, is an integral part of the joint Chinese-U.S. program for accelerated economic development. As suggested by ICA, Taiwan activities include economic and institutional reforms, providing incentives and services to investors, encouraging private savings, conducting investment feasibility research, enlisting widespread support of public and private interest in Taiwan, establishing institutions, training and developing human resources, and promoting private investments, particularly in the foreign capital markets of the Far East.

As requested by the Chinese Government, the Office for Private Enterprise has provided, and is providing, advisory services and participant training in such fields as improved investment legislation, taxation reform, development banking, stock exchanges, organization and operation of development promotional centers, role of trade associations, industrial parks, and promotional media. Contract consultant service is being provided to furnish assistance and training in identification of investment opportunities and in the preparation and promotion of private investment feasibility surveys. Encouragement is being given to American investors by ICA in providing information and advisory services, scheduling trips and arranging meetings in Taiwan. The USOM has established a new Private Investment and Trade Division and five new positions to assist the Chinese in carrying out the program.

The results in terms of new investment have been significant. In the last 18 months the total of 55 cases of approved new foreign investments was \$78 million. The total for 1959 was \$1.3 million! Of more importance, according to Chinese officials, was the improved attitude of government organizations and of the public toward private enterprise.

THAILAND

At the request of the Government of Thailand, major assistance has been provided in a comprehensive program to promote and encourage private investment, local and foreign. The Office for Private Enterprise organized a 6-man survey team of American investment experts who visited Thailand in 1959. Their report recommended a specific program to stimulate private investment. It included recommendations for a new investment law, for the establishment of a legally constituted Board of Investment and for a program of special technical, informational and promotional services. It recommended reducing the role of government in commercial enterprises, the establishment of a development center and the expansion of industrial credit facilities.

These recommendations were accepted by the Government of Thailand and steps were taken, with our assistance, to put them into effect. Three technicians were recruited for the USOM Division of Industrial Development; two American advisors were provided to the Industrial Finance Corporation. Short-term consultants were furnished to advise on industrial districts, the development of trade and Chamber of Commerce organizations and on the promotional aspects of encouraging private investments. Contract services are being provided to assist and train in the identification of investment opportunities and the development and promotion of investment feasibility surveys. Participant teams have been sent to the United States, including Puerto Rico, to observe and study the private enterprise aspects of industrial development. Technical advisory services to the Thai Board for Promotion of Investments are now being considered.

The results have been considerable. A new investment law was passed, a legally constituted Board for the Promotion of Investments was established and the Industrial Finance Corporation was organized and opened for business. The Board, through March 1961 had approved 108 applications for investments involving some \$40 million. By January 1961, 41 companies were actually proceeding with their investment plans.

KOREA

Activities in Korea have been postponed, pending agreement with the new government as to the scope and nature of the total U.S. assistance program. The previous government had requested ICA to provide a qualified team to survey private investment potentials in Korea and to recommend a comprehensive program for encouraging and promoting private enterprise. It is anticipated that a similar request will be made by the present government.

BURMA

The new Government of Burma has indicated strong interest in the expansion of the private sector. This is reflected by the statements of high public officials, the recent passage of a new investment law, and an application to the Development Loan Fund for financing of an industrial development bank

for private investors. Under U.S. sponsorship, public and private Burmese leaders have visited the U.S. for the specific purpose of studying our private enterprise system.

It is anticipated that the Burmese will request technical assistance in the form of a survey mission to recommend a program to stimulate private investment, domestic and foreign.

CAMBODIA

Though the Soviet Bloc has been making major inroads in promoting industrial activities in the public sector, private entrepreneurs are being assisted through three ICA activities: (1) the Small Industry Loan Fund, (2) Industrial Development Services and (3) the Commodity Import Program. We plan to initiate several investment feasibility surveys in specific areas of potential interest to private investors. A senior mission officer has been recruited to give full time and attention to developing private enterprise in Cambodia and is now preparing an action program for consideration by the Cambodian Government and by ICA.

VIETNAM

The Vietnamese Government is actively promoting private investment with ICA assistance through an Industrial Development Center and the Commodity Import Program. Investments are being encouraged under the Presidential Declaration of 1957, which provides a variety of incentives that can be made available on a negotiated basis.

U.S. assistance includes a \$6 million loan fund for private industrial development administered by the Government's Industrial Development Center through local commercial banks. Technical advisory services, including financial, management, marketing and engineering advice, are being provided by an American contract firm. Some \$40 million of dollar exchange is being furnished annually to finance machinery and supplies for the commercial and industrial private sector in Vietnam.

Discussions are now being held with the Government concerning a new private sector industrial development bank, to be financed in part by the Development Loan Fund, with technical assistance to be provided by the Office for Private Enterprise.

INDONESIA

The outlook for private enterprise in Indonesia is not encouraging in view of the political philosophy and practices of the Government. However, the recently adopted 8-year plan provides that a major source of development financing will be from local and foreign private investment. An investment promotion law has been passed but is not being implemented.

The USOM is promoting private enterprise concepts and has agreed with the Government to provide technical advisory services for medium and small industry. Attempts to assist in the organization of an industrial development bank have not been successful. We anticipate that assistance will be requested in financing investment feasibility surveys for specific industries. A staff position for an Industrial Investment Advisor has been established and is under recruitment.

PHILIPPINES

Though private enterprise is well accepted in the Philippines, its full potential is far from being realized. Through recent decontrol measures and less stress on the Filipino-First movement, there has been an improvement in the climate for foreign investment. A number of leaders have proposed the adoption of an investment promotion law.

The U.S. has provided substantial dollar loan capital for the private sector and has furnished major technical assistance to promote new private investments. An ICA staff of six experts provides technical assistance through the Industrial Development Center. The Philippines also has been a training center for third country participants in the private enterprise area.

REGIONAL

A Far East regional workshop conference on the organization and operation of industrial development centers was held and proved successful. Additional conferences are being scheduled.

Encouragement and financial assistance is being given to the Asia Productivity Agency which will provide technical assistance to medium and small industries and promote private investment as part of its total program.

III. NEAR EAST AND SOUTH ASIA

PRIVATE ENTERPRISE PROGRAMS AND PROJECTS

Private enterprise activities in this region are concentrated in ten countries: Afghanistan, Ceylon, Cyprus, Greece, India, Iran, Israel, Jordan, Nepal, and Turkey. The programs in 5 countries: Greece, India, Iran, Nepal and Turkey, are major efforts in which program and project development is well advanced. The present level of private enterprise assistance in the ten countries is running at about \$1.5 million and if fiscal year 1962 country program proposals are realized, should increase to about \$2.5 million. New program and project activities may be required in a few other countries, notably Pakistan.

AFGHANISTAN

The USOM has proposed an extensive program to aid in the development of small manufacturing business as a direct consequence of the recent visit of a private enterprise consultant. The plan contemplates the establishment of a loan fund to make available medium and long term credit for industrial expansion; a technical service center with an ICA financed industrial advisory group; and extensive training facilities in basic industrial skills. Action on this project awaits a general review of all proposed new activities.

CEYLON

An industrial district specialist is working with the government of Ceylon on the development of a large industrial park on the outskirts of Colombo. This is one of the very few private enterprise activities in Ceylon at this time. A study of the technical, marketing and promotional problems of a new process for making instant tea directly from presently unmarketable leaf is being undertaken. Projects for providing the Ceylonese with advice and assistance in establishing a development bank are in suspense because of the local political situation.

CYPRUS

A contract for an intensive study of the feasibility of establishing a development bank and related industrial technical assistance to new industries in Cyprus is being signed. The results of this survey will be available in a few months and will furnish guidance for an action program.

GREECE

A contract team of five consultants has been engaged to make a thorough survey of investment feasibility in the entire food processing industry. A smaller survey of the chemical industries has been completed for the Greek Industrial Development Corporation. No new private investment activities in Greece are contemplated.

INDIA

Under the Indian Investment Center project financed with \$865,000 of fiscal year 1961 funds, we are contracting for five 3-year technicians and fifty man-months of consulting service to help prepare feasibility studies in India. Also planned are technical services in 1961 to help

establish and train a New York office for the Center. The Indian Investment Center constitutes a major effort by a developing country to bring substantial professional talent to bear on the problem of attracting private foreign investment. The Center in New Delhi now has a staff of 20 some top level Indian employees, supplemented by foreign advisors. It is establishing offices in New York and in Europe. The undertaking will be backstopped by outside experts to the degree necessary to insure its success.

IRAN

Six contract consultants are serving the Industrial Development Center. The Center was established to provide both management consulting services to existing businesses and a full range of consulting and promotional services for local and foreign entrepreneurs planning to establish or enlarge industrial enterprises. More emphasis is needed on promoting new private industrial concerns. The USOM has recently established an industrial loan fund for small industries and we propose to assist them in working out the complex problem of institutionalizing technical assistance to new businesses.

ISRAEL

We have recently established two contracts for assistance to the private sector in Israel. Six contract technicians are being provided for a 6-months feasibility survey of all phases of the electronics industry. A long term consultant and short term advisors are being provided to assist the Artisans and Small Manufacturers Association in techniques for developing small businesses.

JORDAN

USOM has funded technical assistance for a Jordanian Industrial Assistance Group in the Ministry of Finance to advise new enterprises. Such assistance will probably continue to take the form of contracts with the Lebanon Industrial Institute for both economic and technical studies and recommendations.

NEPAL

We have recently sent a three-man contract team to Nepal for 18 months to advise and assist the Nepal Industrial Development Corporation. The NIDC now has a total of \$2,000,000 equivalent in local currency, Indian currency, and U. S. dollars available for long term industrial lending, and has established a technical assistance division to aid entrepreneurs in all aspects of establishing or enlarging private manufacturing enterprises. We are reviewing with the USOM other aspects of the Industrial Resources Development Project and expect to provide a power consultant to advise in the problems of private investment in Nepal's large hydro-electric export potential.

TURKEY

In 1960 a three-man contract team helped the Industrial Assistance Commission complete feasibility surveys of potential interest to foreign investors, and recommended that the Commission add substantially to its capabilities for investment promotion activities. A new two man, two year contract team aimed at building such promotional competence in the IAC has recently arrived in Turkey. It is hoped that the IAC will lead a major Turkish effort to attract new foreign investment.

We have also arranged a contract for 4 technicians for six months to study the feasibility of establishing several industrial districts at various locations in Turkey. The new Turkish State Planning Office supports this type of development as a valuable tool for small industry stimulation.

We are in process of selecting a contractor for three "industry sector" feasibility surveys to provide a thorough investigation of fertilizers, chemicals and the metal working industries as a stimulant to private investment in these fields.

IV. AFRICA

PRIVATE ENTERPRISE PROGRAMS AND PROJECTS

A recent trend in Africa has been the widespread demand for assistance in establishing development banks. This Office for Private Enterprise has responded by making studies as to their feasibility and producing concrete plans for their creation and operation. Our emphasis has been not on the funding but on the technical skills required to find investment opportunities to develop the bankable prospectus, and to assist the entrepreneur in establishing a new business.

As the result of recommendations made by our study teams, a development bank will be established in the Sudan in November. Another is in process of formation in Liberia. Both require contract technicians for the development phase of the lending operation.

A study has been completed in Sierra Leone for a small development bank for African borrowers; a pilot operation. Similar studies are anticipated for Libya, Kenya, Madagascar and Tanganyika. In Morocco and Tunis development centers will be established to activate existing credit institutions. Similar proposals are being developed in Ethiopia and Somalia. The Development Loan Fund is considering a \$6.5 million loan for development banking in Uganda. Development Bank studies have been requested for Niger and the Ivory Coast.

The largest private industry development program in Africa is in Nigeria where a 5 year plan involving \$10 million of technical assistance has been worked out and will be implemented with contractor personnel in the field before December 1961. This program should provide results and techniques in private investment development which can be applied in many other African countries.

Cooperative techniques can be applied in some African countries to broaden the impact of our program and these possibilities are being investigated.

The U.S. has offered to help establish a number of small industries in Guinea and the application of American know-how to such an undertaking is expected to have favorable results as a developmental tool for application in other countries.

CAMEROON

For fiscal year 1962 a development bank advisory service is a possibility. It would work in conjunction with a new development bank which is being formed by the Government. Technicians would determine the feasibility of investment opportunities, write prospectuses, interest entrepreneurs, assist in establishing the enterprise utilizing credit facilities of the development bank.

DAHOMEY

It is expected that the study team going to the Ivory Coast to review development banking may be requested to visit Dahomey for the same purpose.

ETHIOPIA

A private enterprise officer has been assigned to Ethiopia and for several months has been working on industrial development problems in collaboration with the Development Bank of Ethiopia. The USOM has proposed a contract for technicians who would develop a comprehensive program for attracting private investment in industry.

GHANA

Although ICA has not been able to establish a private enterprise program for Ghana, the Rockefeller Brothers Fund has just completed an outstanding survey and report on how to accelerate economic growth in Ghana through the mobilization of both private and public capital, both domestic and foreign. The execution of the massive Volta River project will provide a developmental framework in which these recommendations can be carried out. Ways in which the ICA program can be brought to bear in this situation are under consideration at present.

GUINEA

A program is under discussion with the Government for assisting in establishing a limited number of small industries. Use of the U.S. private sector in this endeavor is being explored.

IVORY COAST

Plans for assistance to the Government in carrying out an industrial development program are being developed. The first step was to obtain the services of two technicians to investigate the feasibility of establishing a development bank. They will arrive in the Ivory Coast during September 1961. There are also plans for an economic development institute which would supplement a development bank if one is recommended. Several experts will be required for the bank and for making certain feasibility surveys.

KENYA

In 1962 a survey team will review the need in Kenya for a development center to carry out industrial development functions in coordination with a development bank. This program will be similar to the one in Tanganyika where a contract has been signed for an initial survey. Development Loan Fund financing of industrial credit is being requested.

LIBERIA

In 1960 our banking experts made a complete blueprint for a new development bank. The bank study is under consideration by the Government and plans are moving rapidly forward. Participation from private banks in the U.S. and Europe is being sought. ICA will provide four technicians to assist the bank staff, under a contract with a management firm.

LIBYA

A preliminary study of the feasibility of establishing a development bank in Libya was completed by staff consultants in 1961 and follow up action is now being promoted.

MALAGASY REPUBLIC

Although plans for private investment development were not carried out by June 1961 because the bilateral agreement was signed too late in June

for effective action to be taken, the essence of the plans which have been developed will be carried out in 1962. Contemplated are short term studies for the establishment of a development center and a development bank and extensive feasibility studies in the fields of cement, power, fertilizer and other industrial development areas.

MALI

A feasibility study was carried out in 1961 for the purpose of determining whether additional power could be created at the Souapiti Dam so that the city of Bamako and its environs would have the additional power necessary to develop small industry. The Government has not yet submitted concrete plans.

MOROCCO

Although no action has yet been taken to implement the consulting team study of the Development Center in Morocco (BEPI), our Mission believes that it is a question of time and hopes that action in the industrial development area can be taken in 1962, with contract services being obtained to make feasibility studies and to establish an industrial promotion center.

NIGERIA

A five-year industrial development program for Nigeria was worked out in 1961 and approved by both the Federal and the three Regional Governments. Contract services from 1961 funds amounting to \$605,000 will be provided. The total industrial development program in the three regions and the federal area will involve \$10 million and some 50 persons for five years. The purpose of the program is to assist the industrial development of Nigeria in all areas and layers of Nigerian economic life. It will help to create new industry, expand existing industry and encourage investors locally and from abroad to invest in Nigeria's future.

SIERRA LEONE

Following plans developed in 1961, a 2 man team of consultants is finishing a 2 month study in August concerning the feasibility of establishing a development bank. It is contemplated that as a result of this study, ICA and Development Loan Fund will assist the Government both with technical services under contract and with the loan funds to create a sound development bank which will be primarily devoted to the needs of small local borrowers.

SOMALIA

Private investment consultants provided to Somalia in 1960 completed seventeen detailed feasibility studies and some eighty additional feasibility studies in general outline. The basic problem in Somalia is to obtain a competent industrial development advisor for our Mission, plus the services of two contract technicians who would assist in the development of agricultural processing industries in Somalia. The \$2 million Development Loan Fund loan to Credito Somalo (Somalia's development bank) has not yet been used and probably will not be until technical services are provided so that investment opportunities can be developed to the point where loan financing can be applied.

SUDAN

Two consultants from the Office for Private Enterprise completed a study of the feasibility of establishing a development bank and their recommendations are being carried out. The latest word from the Sudan is that the Bank will be established on November 17, 1961. The loan application and charter have been delivered to Development Loan Fund for consideration. A contract was entered into in 1961 with a firm which will provide the four technical experts required to assist the bank staff when it is established. A new cement plant and a sewer pipe plant are contemplated.

TUNIS

A contractor has been at work in Tunis since October 1960 for the purpose of establishing a development center. The contractor has also made several feasibility studies in the fields of textiles, asbestos cement, caustic soda, and other areas, and these investments are going forward. Delay was incurred because of political changes in the country but our Mission is presently developing a plan which will require the contract services of five technicians to assist three Tunisian institutions in the techniques of developing new industries. An excellent beginning has been made for future industrial development. The STB, the development bank of Tunisia, received a \$5 million loan from Development Loan Fund in 1961, having successfully loaned out previous capital provided from counterpart funds.

UGANDA

Plans are being developed for strengthening an industrial development corporation in Uganda. The Uganda Development Corporation has requested the Development Loan Fund to guaranty a £2 million fund which the Development Corporation hopes to raise in London or New York. It is possible that DLF will prefer to consider a \$5 million loan instead of a guaranty. If this plan is carried out, it is expected that ICA will work closely with the Development Corporation and assist them with contract services.

TANGANYIKA

Under a contract entered into in 1961, a consulting firm will conduct a two month survey in Tanganyika. The purpose will be to make preliminary feasibility studies of investment opportunities and to recommend the kind of development center which should be established to carry on this work. Plans also may be developed for a development bank to supplement the Investment Center. The survey report should be completed by November 1961.