



ECONOMIC DEVELOPMENTS
IN THE **MIDDLE EAST**

1959-1961 Supplement to World Economic Survey, 1961

UNITED NATIONS



Department of Economic and Social Affairs

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FOREWORD

This report, Economic Developments in the Middle East, 1959-1961, forms part of the survey of the world economic situation, prepared by the Secretariat of the United Nations, and is a supplement to the World Economic Survey, 1961 (Sales No.: 62.II.C.1). It also complements the series of annual surveys prepared by the secretariats of the regional economic commissions and is a continuation of studies on the Middle East, of which the most recent is Economic Developments in the Middle East, 1958-1959 (Sales No.: 60.II.C.2).

The present study reviews the current economic developments in the Middle East in the period from 1959 to 1961. Where relevant and necessary, the text series are extended back to 1957 in order to present a clearer picture of trends and developments in the area. As statistical data are not always available to the end of 1961, the conclusions reached with respect to developments in that year are necessarily tentative.

A regional summary of findings is presented at the beginning, with a view to bringing together and highlighting the important economic developments of the area in the period under discussion, and to pointing out the similarities and dissimilarities of development trends and prospects in individual countries. This is followed by a review of developments in the fields of agriculture, industry and mining, petroleum, and foreign trade and payments. The discussion in each chapter is developed to put the Middle East in perspective, without losing the identity of individual countries. Lack of adequate data prevented full discussion of all the countries in the region. The countries that have received adequate treatment are Cyprus, Iran, Iraq, Israel, Jordan, Lebanon, Syria, Turkey, and the United Arab Republic (Egypt).

The present report also includes a statistical appendix, consisting of forty-eight tables, which is designed to give up-to-date and reliable information on various sectors of economic activity for the countries of the region. The appendix tables are classified under seven headings: agriculture, industry and mining, petroleum, foreign trade and payments, transportation, planned public development expenditures and miscellaneous indices.

The term "Middle East", as used in this report, covers Cyprus, Iran, Iraq, Israel, Jordan, Lebanon, Syria, Saudi Arabia, Turkey, the United Arab Republic (Egypt) and Yemen; it also covers Aden, Bahrain, Kuwait, Muscat and Oman, Qatar and the Trucial Coast.

This report was prepared by the United Nations Department of Economic and Social Affairs. In general, the statistical data were either prepared directly by the Statistical Office of the United Nations or were obtained from data published by that office. In addition, other official international and national sources were utilized; when such data were not available, private sources were consulted. Due to variations in national methods of compiling data, information for the various countries is not always strictly comparable.

EXPLANATORY NOTE

The following symbols have been used in the tables throughout the report:

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 in a table indicates that the item is not applicable.

A minus sign (-) indicates a deficit or decrease.

A full stop (.) is used to indicate decimals.

A comma (,) is used to distinguish thousands and millions.

A slash (/) indicates a crop year or financial year, e.g., 1960/61.

Use of a hyphen (-) between dates representing years, e.g. 1955-1960, signifies the full period involved, including the beginning and end years.

References to "tons" indicate metric tons, and to "dollars" United States dollars, unless otherwise stated.

The term "billion" signifies a thousand million.

Details and percentages in tables do not necessarily add to totals, because of rounding.

Information regarding rates of exchange may be found in issues of United Nations, Monthly Bulletin of Statistics.

Certain abbreviations have been used: IFC for International Finance Corporation; IMF for International Monetary Fund; IPAC for Iran-Pan American Company; IPC for Iraq Petroleum Company; OEEC for Organisation for European Economic Co-operation; OPEC for Organization of the Petroleum Exporting Countries; SIRIP for Irano-Italian Oil Company; SITC for Standard International Trade Classification. For reasons of time coverage, the term "United Arab Republic (Egypt)" has been used to designate the United Arab Republic, and "Syria" to designate the Syrian Arab Republic.

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country or territory or of its authorities, or concerning the delimitation of its frontiers.

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REGIONAL SUMMARY

The countries of the Middle East experienced significant developments in the period 1957-1960. These developments, however, varied substantially among the countries of the region and among the sectors of economic activity within each country. These variations were largely a reflection of the differences in the intensity of the desire of the peoples and the Governments of the region to enhance their economic status, the soundness of the measures adopted for this purpose, the economic atmosphere in which productive activity took place, the availability of domestic and foreign investment resources which could be channelled into productive efforts, the availability of economically exploitable natural resources, the impact of weather conditions on agricultural production, and the firmness of international prices for the region's exportable products.

Despite the inadequacy of national income accounts in most countries of the region, it can be stated that the combined gross income (in current prices) of nine countries 1/ rose from about \$15.5 billion in 1957 to \$22.3 billion in 1960, thus registering a 44 per cent increase in three years. The population of these countries, however, increased in the same period from about 84.5 million to 92 million, representing an 8.9 per cent increment in three years. This means that gross per capita income rose from about \$183 in 1957 to about \$242 in 1960, representing a 32.5 per cent increase in three years.

An examination of the changes in real income 2/ shows an entirely different and a much less encouraging growth rate in this period. The combined gross income (at 1957 prices) showed an increase to about \$17.8 billion in 1960, thus rising by only 15.5 per cent in three years. 3/ Gross per capita real income, then, rose approximately from \$183 in 1957 to \$193 in 1960, representing a 6 per cent increase in three years. 4/ The difference in the percentage growth rates - current versus real income - is a reflection of the sharp rise in the price level in this period when the nine countries are taken together.

1/ Cyprus, Iran, Iraq, Israel, Jordan, Lebanon, Syria, Turkey and the United Arab Republic (Egypt). The petroleum sectors for Iran and Iraq are included.

2/ In most cases, the general wholesale price indices of individual countries were used as deflators in order to arrive at changes in the rates of real income growth. The technical objections to the applicability of this method are well known. The purpose here is to give the reader a rough indication of the magnitudes of the changes involved.

3/ Total real income in Cyprus and Syria in 1960 was substantially less than the 1957 level.

4/ Gross per capita real income for Cyprus and Syria showed a considerable decline, and that for Jordan a minor decline.

An analysis of the growth rate in the agricultural sector of seven countries of the region 5/ reveals that the combined income (at current prices) rose from about \$3.7 billion in 1957 to \$5.4 billion in 1960, representing an increase of approximately 45 per cent in three years. Real agricultural income, however, rose to only \$3.9 billion in 1960, registering less than a 6 per cent increase in the same period. 6/ Real agricultural income in Cyprus, Jordan and Syria underwent serious reductions, but substantial gains were registered in Israel, Lebanon and Turkey.

A similar analysis for the industrial sector of the same seven countries and for the same period shows that the combined income (at current prices) rose from about \$1.7 billion in 1957 to \$2.7 billion in 1960, registering an increase of approximately 59 per cent in three years, or 27 per cent in real terms. 7/ Thus, while industrial production, on the whole, continued to rise at a relatively fast and steady rate, mainly unfavourable weather conditions prevented a proportionate rise in the agricultural sector. Furthermore, since the industrial sector for the relevant countries (including oil) is still relatively small when compared to total economic activity, the favourable impact of growth in industrial production had only a modest influence on the rate of growth of total income.

Details of economic activity for each country - reflecting the variations in total, sectoral and per capita income - are fully treated under the appropriate chapter headings in this report. The discussions here will, therefore, be limited to summarizing the major characteristics common to the region, the important economic developments in the period under discussion, and the manner in which the countries of the Middle East tackled their respective economic problems.

Most of the countries of the region continued to have a predominantly agrarian economy, where the rural population (except in Israel) constituted 60 to 73 per cent of the total. Moreover, the dearth of arable land, the insufficiency of water supply and the dependence of most of these countries on weather conditions for their agricultural production continued to pose serious obstacles to economic growth and to constitute a grave threat to the implementation of the already formulated development programmes.

While the region as a whole fared relatively well in the face of prolonged drought conditions, individual countries had to cope with substantial losses in their staple products and even in their cash crops. This resulted in shortages of food supply and necessitated large quantities of grain imports. This fall in

5/ Iran and the United Arab Republic (Egypt) were excluded from the original nine countries (see foot-note 1 above) as sectoral income data were not available.

6/ The difference in the percentage increases between income calculated at current and at constant prices is due to the fact that Turkey is by far the largest producer of agricultural products among the countries included in this part of the analysis, and the wholesale price index in Turkey rose faster than that of any other country in this period.

7/ Real industrial income for Cyprus in 1960 was about 5 per cent below the 1957 level, while that for Iraq, Israel and Turkey registered a substantial increase.

agricultural output was also coupled with a deterioration in the terms of trade, which added to the magnitude and complexity of the problem of feeding the rapidly growing population of the area and of meeting the investment requirements of the development programmes. All these unfavourable developments took place in the face of large budgetary allocations for irrigation and land reclamation projects, legislative measures for the improvement of land tenure and the creation of agricultural co-operatives, and the assumption of greater responsibility by the national authorities in rational agricultural planning.

Industrial development (excluding petroleum) in the Middle East continued its expansionary trend in the period 1957-1960. However, the rate of growth in the industrial sector - and the types of industry developed within that sector - varied substantially among the countries of the region, depending largely on the degree and direction of public participation in industrial growth, the availability of industrial raw materials, the ability to finance the foreign exchange components of the investment requirements of industry, the desire for diversification with a view to counteracting and eventually stabilizing the fluctuations in national income resulting from excessive reliance on agriculture, the urgency of the imbalance in the international payments position, and the present and potential size of the domestic market.

With these considerations in mind, some countries paid special attention to industries which are either of the import-substitution type or which utilize raw or semi-processed materials which formerly entered the export market in that state. Other countries concentrated on heavy industries designed to expand the industrial base for future growth. Moreover, many countries of the region took measures directed at restricting imports of industrial commodities which compete with similar domestic products, exempted imports of raw materials and machinery from customs duties, gave tax concessions to some selected industries, subsidized exports of certain manufactures and increased the availability of industrial credit and facilitated the terms of borrowing.

Most of the countries of the Middle East have already formulated economic development plans which are either in the implementation stage or are still under consideration. Some of these plans are restricted to the public sector; others are more comprehensive and include projections of investment and income in the private sector on the assumption that government measures will induce action in the private sector which will channel resources in the direction of the officially established production targets. In most of these programmes, the share of the industrial sector in total planned investment is substantial.

The Middle East oil industry continued to expand in recent years. Production of crude oil increased from 215 million tons in 1958 to 281 million tons in 1961, registering a 31 per cent rise in three years. The annual rate of increase, however, varied considerably, averaging 7.7 per cent in 1959, 14.5 per cent in 1960 and 6 per cent in 1961. Meanwhile, world production of crude oil continued to expand, but at a slower rate than that of the Middle East. It actually rose from 910 million tons in 1958 to 1,119 million tons in 1961 - a 23 per cent increase in three years.

The Middle East continued to maintain its position as the second largest crude oil producing area in the world. In 1958 and 1959, the region's share of total world production was a stable 23.6 per cent. The higher rate of

increase of crude oil production in the Middle East, as compared to that of the world, raised its share to 25.1 per cent in 1960 and to 25.2 per cent in 1961.

Total crude oil exports of the countries of the region increased substantially in the period under review, rising from 176.4 million tons in 1958 to 189.1 million in 1959 and to 216.0 million in 1960. These figures represented 82.0, 81.7 and 81.5 per cent of total oil production of the region and 55.7, 55.8 and 56.6 per cent of total world oil exports, respectively. Thus, the Middle East continued to be the world's largest exporter of crude oil and western Europe the largest importer of that oil.

With the construction of new refineries and the expansion of existing facilities, the oil refining capacity of the Middle East increased steadily throughout the period, reaching 71 and 73 million tons of crude input per year in 1960 and 1961, respectively. Consequently, output of refined products increased substantially, rising from 48.2 million tons in 1958 to 62.1 million tons in 1960. Despite these increases, Middle East refining capacity represented less than 6 per cent of world capacity in 1961 and Middle East output of refined products accounted for about 7.8 per cent of world output in 1960.

The oil producing countries of the Middle East derived substantial revenues from oil in the form of direct payments by petroleum companies to Governments. While the fall in crude prices in this period had a depressing effect on revenues, the rate of increase in crude output more than compensated for the fall in prices, resulting in a steady rise in revenues. These direct payments of oil companies to oil producing countries (exclusive of settlements of previous claims and bonuses) were \$1,196 million in 1958 and rose to approximately \$1,374 million in 1960.

Other countries of the Middle East received revenues in the form of oil transit fees which rose from over \$100 million in 1958 to about \$142 million in 1961 (inclusive of settlement of past claims).

The contribution of the oil industry to the economies of the Middle East goes beyond the direct payments received by the Governments of the area in the form of royalties, taxes and transit dues. The 1948-1958 operating and capital expenditures of the petroleum companies in the Middle East exceeded \$3,855 million, 42 per cent of which represented wages and salaries, payments to local contractors and purchases of local supplies. Expenditures in the oil industry, however, were not exclusively made by the oil companies. Governments of the Middle East countries, particularly in recent years, have been participating in the development of the various aspects of the oil industry. These activities have consisted of exploration, construction of pipelines and tankers, refining and marketing.

Middle East trade continued its expansion in this period. Exports (including petroleum) rose from about \$4.3 billion in 1957 to \$5.1 billion in 1960, thus registering an 18.6 per cent increase in three years. Imports increased from about \$3.7 billion in 1957 to \$4.4 billion in 1960, representing an 18.9 per cent rise in the period. The balance of trade was thus in favour of the Middle East to the extent of \$600 million in 1957 and \$700 million in 1960. It is important to note, however, that the value of petroleum exports

from the region are estimated to have been \$2.8 billion in 1957 and \$3.6 billion in 1960. When petroleum exports are excluded from the total exports of the Middle East, the balance of trade becomes unfavourable to the extent of \$2.2 billion in 1957 and \$2.9 billion in 1960.

One of the important characteristics of the Middle East countries is their great dependence on foreign trade. This fact emphasizes the vulnerability of these countries to the fluctuations of international commodity prices, the necessity for an uninterrupted flow of goods in their international trade, and the need for sufficient amounts of foreign exchange to be available to finance the import requirements of their development programmes and their rising standard of living.

The combined deficit in the balance of payments on goods and services (excluding the oil sector) for some selected countries of the region rose from about \$1.1 billion in 1957 to about \$1.5 billion in 1960. However, when the foreign exchange earnings from the oil sector are included in the combined current account of the same countries, the deficit in 1957 becomes \$763 million and in 1960 \$847 million. This means that the foreign exchange earnings from the oil sector have contributed substantially to the financing of the continuously rising volume of imports.

A study of the combined compensatory finance (inclusive of official and private transfers) of the same countries under discussion reveals that official and private transfers have constituted an increasing percentage of total means of payments, their share rising from 38 per cent in 1957 to about 43 per cent in 1960. In absolute terms, this represents a rise from \$436 million in 1957 to about \$642 million in 1960. Private, official and banking capital, on the other hand, declined from \$362 million in 1957 to \$232 million in 1958 and was \$279 million in 1960. The relative share of this type of finance in the combined means of payments dropped from about 32 per cent in 1957 to 19 per cent in 1960. The remaining part of the combined deficit on current account was covered by the transfer of official gold and foreign exchange holdings which dropped from about \$1.4 billion in 1957 to slightly less than \$1.3 billion in 1960.

An analysis of the composition of exports (excluding petroleum) from some selected countries of the Middle East shows that agricultural products continued to form an important though falling percentage of the total value of exports. The value of exported agricultural products comprised about 71 per cent of the total value of exports in 1957, but only 63 per cent in 1960. This was caused both by prolonged drought conditions since 1958 - which reduced the exportable surpluses substantially - and the fall in the international prices of some agricultural products. Mineral products (excluding petroleum) were the second most important export item for the Middle East region.

The lack of uniformity in the country classifications of imports makes it impossible to draw a regional conclusion with respect to the composition of such imports. It can be said, however, that imports of capital goods for some selected countries formed a stable annual average of 29 per cent of the total value of imports in the period from 1957 to 1960. Imports of consumer goods remained stable at about 22 per cent of the total value of imports throughout this period; and imports of raw materials (including fuels) showed a persistent relative decline, from 38 per cent in 1957 to 34 per cent in 1960.

Imports of food items, on the other hand, showed a small relative decline, from 21 per cent in 1957 to 19 per cent in 1960, but imports of manufactured goods continued to increase both absolutely and relatively, from 46 per cent in 1957 to 54 per cent in 1960. 8/

A study of the geographic pattern of trade (including oil) shows that, while in 1957 over 10 per cent of Middle East exports and over 14 per cent of Middle East imports (in value) were transacted within the region, the percentage relationships of the value of the total transactions in 1960 were 8.5 and 11.9, respectively. The total value of exports to the United States, the United Kingdom and continental western Europe formed a relatively stable average of 54 per cent between 1957 and 1960, but the share of imports from these countries showed a modest increase, from over 60 per cent in 1957 to over 64 per cent in 1960. The total value of exports to the Soviet Union and other eastern European countries showed a persistent decline, from 7 per cent in 1957 to 5.8 per cent in 1960. The total value of imports from the same countries first rose to 9.4 per cent in 1958 (7.4 per cent in 1957), then declined to 7.4 per cent in 1959 and to 6.9 per cent in 1960. The total value of exports to and imports from "other countries" did not show any significant changes in the period under review, the annual average percentage being 31 for exports and 17 for imports.

8/ See the relevant sections in the text for the countries importing these categories of goods.

CHAPTER 1

AGRICULTURE

Out of the total area of the Middle East, 1/ 577.3 million hectares, the agricultural area represents 34.1 per cent, forested land, 5.7 per cent and "other area", 60.2 per cent. Arable land and land under tree crops form 29 per cent of the agricultural area; the rest is taken up by permanent meadows and pastures. Irrigated land constitutes only 17.3 per cent of arable land; unused but potentially productive land forms 25.1 per cent of the agricultural area or 8.6 per cent of the total area. 2/

Despite considerable variations among countries, the above figures clearly bring out characteristics that are common to the area, namely, the dearth of arable land, the insufficiency of water supply, and the dependence of these countries on weather conditions for their agricultural production. 3/ The importance of the frequency and distribution of precipitation, which vitally affects land productivity, was apparent in the period 1958 to 1961 when drought conditions caused a decline in the volume of production of the main crops, resulting in shortages of food supplies and necessitating imports of United States grain within the framework of Public Law 480.

Recent agricultural developments in most countries of the Middle East show other important characteristics common to the area. In most of these countries, large budgetary allocations have been made for irrigation and land reclamation projects; legislative measures have been taken for the improvement of land tenure by the redistribution of land and the creation of agricultural co-operatives; and the national authorities have assumed greater responsibility in rational planning, as regards acreage control and crop rotation, development of agricultural credit, improvement of marketing conditions, and stabilization of agricultural prices.

Most of the countries in the area continue to have a predominantly agrarian economy, where the rural population constitutes 60 to 73 per cent of the total. 4/

1/ Covering Cyprus, Iran, Iraq, Israel, Jordan, Lebanon, Saudi Arabia, Syria, Turkey and the United Arab Republic (Egypt).

2/ See table I-1 for further details. Definitions of land classification are to be found in Food and Agriculture Organization of the United Nations, Production Yearbook, 1960 (Rome), page 390.

3/ The United Arab Republic (Egypt) falls into a different category, as its arable land is entirely irrigated. However, even in that country, weather conditions have a direct bearing on the floods of the Nile and thus on the total area that can be irrigated during the year.

4/ The rural population of Israel in 1958 was about 24 per cent of the total.

However, income generated in the agricultural sector has fluctuated substantially from year to year, mainly as a result of changes in weather conditions. As table 1-1 clearly shows, the contribution of agriculture to domestic product in the bumper crop year of 1957/58 ranged from about 13 per cent in Israel to 45 per cent in Turkey; the corresponding ratios in 1960 ranged from 11 per cent in Israel to 42 per cent in Turkey, with important variations in the interval for most of the countries of the region.

Table 1-1. Contribution of Agriculture to Gross Domestic Product at Current Factor Cost, 1957-1960
(Percentage)

Country	1957	1958	1959	1960
Cyprus	21.6	22.3	21.9	20.5
Iran .....	...	...	27.6 ^{a/}	...
Iraq ^{b/}	31.8	25.9	25.3	24.9
Israel	12.7	12.9	11.8	11.3
Jordan	20.7	18.7	14.1	13.6
Lebanon ^{c/}	15.8	16.5	...	18.4 ^{d/}
Syria ^{e/}	43.4	31.6	32.1	30.0
Turkey ^{c/}	44.9	47.5	44.0	42.2
UAR (Egypt) .....	...	...	...	31.2 ^{f/}

Source: National and international sources.

a/ Based on data for 1958/59.

b/ Net national product at current factor cost.

c/ Net domestic product at current factor cost.

d/ Based on preliminary data for 1961. For details, see Paul J. Klat, "The National Income of Lebanon", Middle East Express (Beirut), 2 April 1962.

e/ Net domestic product at factor cost of 1956.

f/ Based on data for 1959/60.

Agricultural production

The regional indices of output, acreage and yield of selected agricultural crops for the period 1957/58-1960/61, are shown in table 1-2.

Table 1-2. Middle East: Indices of Output, Acreage and Yield of Selected Crops a/, 1957/58-1960/61

(1956/57 = 100)

Crop and item	1956/57	1957/58	1958/59	1959/60	1960/61
<u>Wheat:</u>					
Output.....	13,079	120	110	107	107
Acreage.....	14,443	100	102	102	103
Yield.....	0.906	120	108	105	104
<u>Barley:</u>					
Output.....	5,793	122	105	97	97
Acreage	5,737	104	103	102	101
Yield	1.010	117	102	95	96
<u>Rice (paddy):</u>					
Output.....	2,287	111	81	102	105
Acreage.....	688	105	86	104	104
Yield.....	3.324	106	94	98	101
<u>Cotton (lint):</u>					
Output.....	662	111	123	128	134
Acreage.....	1,924	102	105	101	104
Yield.....	0.344	109	117	127	129
<u>Tobacco:</u>					
Output.....	144	106	100	108	117
Acreage.....	216	99	92	102	109
Yield.....	0.667	107	108	106	107
<u>Dates:</u>					
Output.....	1,041	95	92	95	94
<u>Citrus fruits:</u>					
Output.....	1,163	112	128	123	123

Source: See tables I-2 and I-5 for details.

a/ Output in thousands of tons; acreage in thousands of hectares; yield in tons per hectare.

Taking 1956/57 as a base, 5/ wheat production in the region rose by about 20 per cent in the bumper crop year 1957/58, but gradually declined and stood at about 7 per cent above the base level in 1960/61. As the total area under wheat cultivation was relatively stable in this period, the decline in output reflects the gradual fall in yields which can, to a large extent, be attributed to unfavourable weather conditions.

The regional output of barley suffered a greater loss than that of wheat, registering a 3 per cent fall in 1960/61 as compared to the base year and a 25 per cent fall from 1957/58. As the total acreage under barley cultivation remained relatively stable throughout this period, the decline in barley output, too, was the result of substantial reductions in yields due largely to adverse weather conditions.

The total output of rice (paddy), which was 2.287 million tons in 1956/57, rose by 11 per cent in 1957/58, but dropped by 19 per cent in 1958/59 and stood at an index of 105 in 1960/61 as compared to the base year. The drastic reduction in output in 1958/59 was, to a large extent, caused by the decline in acreage, but the fall in yield was also a contributing factor. 6/

Among the remaining grain crops, maize, rye, oats, millet and sorghum are the most important. 7/ The two main producers of maize are the United Arab Republic (Egypt) and Turkey; in the former country, output of maize was 1.652 million tons in 1956/57. It dropped to 1.498 million tons in 1957/58 and was 1.5 million tons in 1959/60. Output of maize in Turkey fell to 750,000 tons in 1957/58, as compared to 858,000 tons in 1956/57, but gradually increased to 1.090 million tons in 1960/61.

The main producer of rye, oats and millet is Turkey. Rye output rose from 566,000 tons in 1956/57 to 700,000 tons in 1960/61, but registered a mild decline in 1959/60. Production of oats showed a steady increase to 530,000 tons in 1960/61 as compared to 382,000 tons in 1956/57. Production of millet, on the other hand, showed a steady decline, from 74,000 tons in 1956/57 to 57,000 tons in 1960/61.

The major producer of sorghum is the United Arab Republic (Egypt). The available data show that sorghum output has fluctuated mildly from year to year.

Cotton (lint) production in the region showed a distinctly rising trend, with no evidence of adverse effects resulting from the prolonged drought conditions in

5/ 1956/57 was selected as the base year since it represents a relatively normal agricultural year for the Middle East.

6/ The indices of rice acreage and yield in 1958/59 in the United Arab Republic (Egypt) - the largest producer of rice in the region - were 75 and 92, respectively, as compared to the base year.

7/ These crops were not presented in table 1-2, as they do not have regional significance.

the Middle East. The index of output in 1960/61 stood at 134 as compared to 100 in 1956/57. There was a small increase in the total area under cotton cultivation, but the rise in output was mainly the result of the increase in yield. 8/

Tobacco output of the region first showed a moderate decline, but this was followed by a substantial rise in subsequent years. As the yield of this crop was fairly stable throughout the period, the observed variations in output could, to a large extent, be explained by the variations in the area under cultivation.

Regional output of dates declined moderately in 1957/58 - to 991,000 tons as compared to 1.041 million tons in the bumper crop year of 1956/57 - and, with minor variations, maintained its relatively lower level of production throughout the period.

The growth in citrus fruit production continued up to 1958/59, but this was followed by a slight reduction in subsequent years. Actual output increased from 1.163 million tons in 1956/57 to 1.429 million tons in 1960/61. The highest rate of increase was in 1958/59 when the index of output stood at 128 as compared to the base year of 1956/57.

So far, the discussion on agricultural production has mainly concentrated on pointing out the major regional variations in output, acreage and yield of some selected crops. While this approach has the advantage of putting the Middle East in perspective, it conceals country to country fluctuations in production, which have serious and far-reaching effects on national income and the rate of economic growth. A serious fall in the output of some major products may result in substantial reductions in or elimination of exportable surpluses - even transforming exporting countries into net importers - foreign exchange earnings and imports of capital goods, and jeopardizes the implementation of development programmes. When the fall in output and exports is also coupled with a deterioration in the terms of trade, 9/ the seriousness of the situation becomes more acute.

The prolonged drought conditions in recent years have again brought into prominence the dependence of the still predominantly agrarian economies 10/ of the Middle East on the vagaries of the weather. 11/ In fact, many of the countries of the region, which have traditionally been exporters of grains, have recently had to import some of these food items in order to feed their population. This phenomenon

8/ The indices of output, acreage and yield in the United Arab Republic (Egypt) - the largest producer of cotton in the region - were 147, 113 and 130, respectively, in 1960/61 as compared to the base year. Available information on the 1961/62 crop seems to point to the possibility of serious loss from damage by leaf worm.

9/ See table IV-5 for some preliminary data on the terms of trade in selected Middle East countries.

10/ Exceptions are Israel and Lebanon.

11/ This does not fully apply to the United Arab Republic (Egypt).

is especially significant in view of the fact that many countries of the Middle East have, in recent years, made special efforts to increase agricultural production and raise productivity through various development schemes, the use of tractors and the application of fertilizers. The number of tractors used in agriculture increased from an estimated 64,000 in 1956 to almost 69,000 in 1960. ^{12/} The consumption of chemical fertilizers rose from about 217,000 tons of plant nutrients in 1956/57 to almost 300,000 tons in 1960/61. With the exception of Lebanon in the 1958/59-1960-61 period and the United Arab Republic (Egypt) in 1959/60, all countries of the Middle East showed substantial increases in the consumption of chemical fertilizers. Taking 1956/57 as a base, the indices of fertilizer consumption in 1960/61 ranged from a low of 138 in the United Arab Republic (Egypt) to a high of 838 in Iran. ^{13/}

As the indices of output, acreage and yield for selected crops and countries do not conveniently lend themselves to tabulation, the discussion here will be limited to pointing out some of the major fluctuations in output and analysing their unfavourable consequences.

The countries hardest hit by the decline in the production of cereals were Jordan and Syria. The indices of wheat output in Jordan stood at 27, 43 and 18 in 1958/59, 1959/60 and 1960/61, respectively, as compared to 100 in 1956/57. This drastic drop in output is explained both by the reduction in the area under wheat cultivation and the fall in the yield. ^{14/} Again, the indices of barley output for the same years were 18, 27 and 14, as compared to 100 in the base year. The explanation of this drastic fall in barley output is also to be found both in the reduction in acreage and in the very sharp drop in yield due to prolonged drought conditions. ^{15/}

Syria was the other country to suffer seriously from the decline in cereals output; its indices of wheat output in 1958/59, 1959/60 and 1960/61 were 53, 60 and 53, respectively, as compared to 100 in 1956/57. The main reason for this decline was the sharp drop in yield and only to a small extent was it due to the reduction in acreage. ^{16/} The barley crop, on the other hand, suffered even more; its indices of output dropped to 49, 47 and 34 in 1958/59, 1959/60 and 1960/61, respectively (1956/57 = 100). This drastic fall in output took place in the face

^{12/} The above figures refer to Iraq, Israel, Jordan, Lebanon, Syria, Turkey and the United Arab Republic (Egypt) only. The figures for Syria include tractors for all purposes. See table I-3 for details.

^{13/} See table I-4 for further details. In the case of Iran, the high index is explained by the fact that the consumption of chemical fertilizers rose from 1,600 tons in 1956/57 to 13,400 tons in 1960/61.

^{14/} A substantial proportion of the wheat crop was lost in 1960/61 on account of wheat rust.

^{15/} The official national income accounts for Jordan do not adequately reflect these losses in cereals output. The contribution of the agricultural sector to gross domestic product at current factor cost were JD 12.9 million in 1958, JD 10.5 million in 1959 and JD 10.7 million in 1960.

^{16/} In fact, in 1960/61 the index of the area under wheat cultivation was 101 (1956/57 = 100), while the index of the yield was 52.

of expanding acreage devoted to barley production. 17/ Mainly as a result of these unfavourable developments in Syria's agriculture, the contribution of the agricultural sector to net domestic product, at factor cost in 1956 constant prices, fell from 40 per cent in 1956 to 30 per cent in 1960. More specifically, the added value in the agricultural sector fell from IS 936 million in 1956 to IS 695 million in 1958 and IS 636 million in 1960. 18/ The fall in the income generated in the agricultural sector would have been even more drastic had it not been for the cotton crop, the output of which rose above the 1956 level and stood at an index of 119 in 1960/61 as compared to 100 in 1956/57. 19/

Some of the remaining Middle East countries also suffered losses in their output of cereals, but to a less extent than Jordan and Syria. In Iran, the indices of wheat and barley output were 96 and 68, respectively, in 1960/61 as compared to 100 in the base year. Iraq suffered most in its wheat production in 1960/61 and its barley output in 1959/60. In Israel, the 1960/61 output of wheat was 55 per cent, and that of barley only 32 per cent, of the 1956/57 figure. 20/ In Lebanon, output of wheat in 1960/61 was 67 per cent of the output level in the base year. The United Arab Republic (Egypt) suffered most in its wheat production in 1958/59 when the index of output was 91 as compared to 100 in 1956/57, directly reflecting a proportionate reduction in the area under wheat cultivation.

The major producers of rice (paddy) in the area are Iran, Iraq, Turkey and the United Arab Republic (Egypt). In addition to Iraq, which seems to have suffered substantially in its rice production in 1959/60, 21/ the United Arab Republic (Egypt) experienced the largest fall in 1958/59 when the index of rice output fell to 69 as compared to the base year production of 1.573 million tons. This drastic fall was caused by the reduction in acreage and the decline in yield which were largely related to the unfavourable flood conditions of the Nile. It should be noted, however, that rice output in the United Arab Republic (Egypt) continued to fall short of the 1956/57 level in subsequent years, despite the rise in acreage to a level exceeding that of the base year, thus reflecting a decline in yield.

17/ The indices for acreage for the same years were 121, 114 and 117, and the indices for yield were 40, 41, and 29, respectively.

18/ The added values for 1957 and 1959 were IS 1,090 million and IS 728 million, respectively. All values are at factor cost in 1956 constant prices.

19/ This was achieved in the face of a consistently falling area under cotton cultivation, thus reflecting a substantial rise in yield.

20/ The effect of these drastic drops in output on national income was not serious, as the annual average contribution of the agricultural sector to gross domestic product in the 1957-1960 period was only 12.2 per cent. The loss of income from these crops seems to have been more than compensated for by the increase in citrus fruit production.

21/ The index of output in Iraq fell from 123 in 1958/59 to 83 in 1959/60 as compared to 100 in 1956/57.

The major producer of tobacco in the region is Turkey whose index of output first dropped slightly in 1958/59 but in subsequent years rose moderately and stood at 116 as compared to 100 in 1956/57. The observed variations in output seem to be directly related to variations in acreage, as the indices of yield show considerable stability in the period under discussion. Iran, which is the second largest producer of tobacco, experienced a slightly different phenomenon. The observed fall in output - to an index of 57 in 1959/60 as compared to 100 in 1956/57 - seems to have been the result both of the decline in acreage - to an index of 71 in 1959/60 - and the drop in yield, to an index of 80 in the same year.

With the exception of the United Arab Republic (Egypt) - where citrus fruit production fell to 89 per cent of the base year level in 1959/60 and hardly reached the base year level in 1960/61 - the remaining countries registered substantial increases throughout the period. The indices of citrus fruit output in 1960/61 ranged from a low of 117 in Israel to a high of 160 in Turkey (1956/57 = 100).

Production of dates did not register significant changes, except in Iran - where the indices of output stood at 79 and 86, respectively, in 1957/58 and 1959/60 - and Saudi Arabia, where the index of output was 86 (1956/57 = 100).

The above analysis throws considerable light on the problems related to the instability of agricultural production in the Middle East. While the region as a whole seems to have fared relatively well in the face of prolonged drought conditions, individual countries have had to cope with serious losses in their staple products and even in their cash crops. When this unpleasant fact is viewed in the context of a rapidly growing population ^{22/} and gradually deteriorating terms of trade, the magnitude and complexity of the problem of feeding the population of the area and meeting the investment requirements of development programmes become obvious.

Faced with these adverse conditions, many countries of the Middle East were forced, in the past few years, to increase substantially their imports of food items. ^{23/} It is important to note, however, that the bulk of these food imports took place within the framework of United States Public Law 480; details are shown in table 1-3.

Table 1-3 clearly indicates that between 1958/59 and 1960/61 alone, the Middle East countries received over 5.5 million tons of grains. The total value of all food items under title I of Public Law 480 was about \$447 million. The United Arab Republic (Egypt) was the largest recipient of grains and was followed by Israel, Turkey, Syria and Iran in that order. Moreover, the region received over \$90 million worth of food items under title II of Public Law 480, 35 and 24 per cent of which went to Jordan and the United Arab Republic (Egypt), respectively, the rest

^{22/} Between 1955 and 1960, the population of the Middle East - excluding the Aden Protectorate, Muscat and Oman, Saudi Arabia and Yemen - increased by over 11 million or by 13.6 per cent.

^{23/} See table IV-2 for country trends of food imports.

Table 1-3. Imports of Grains under United States Public Law 480, 1958/59-1960/61
 (Weight in thousands of tons, value in million-dollar equivalents at
 the deposit rate of exchange)

Country	1958/59		1959/60		1960/61		Total	
	Weight	Value	Weight	Value	Weight	Value	Weight	Value
Iran.....	-	-	-	-	250.7	21.8	250.7	21.8
Israel.....	571.3	38.3	562.8	37.6	285.2	25.9	1,419.3	101.8
Syria.....	-	-	157.9	9.6	279.3	18.6	437.2	28.2
Turkey.....	45.2	34.7	425.1	35.0	358.1	25.4	828.4	95.1
UAR (Egypt).....	513.7	48.3	985.6	72.7	1,157.4	79.5	2,656.7	200.5
Total	1,130.2	121.3	2,131.4	154.9	2,330.7	171.2	5,592.3	447.4

Source: The 14th Semiannual Report on Activities of the Food-for-Peace Program Carried on under Public Law 480, 83rd Congress, As Amended; Message from the President of the United States. 87th Congress, 1st Session, House Document No. 223 (US Government Printing Office, Washington, D.C., 1961)

Note: Grains here refer to wheat and flour, feed grains and rice. The conversion factors utilized for weight were 45 kilogrammes per US hundredweight and 27 kilogrammes per US bushel of grains. All weights and values refer to imports under title I of Public Law 480. While weights pertain to grains and flour only, values are for all food items. Years are fiscal years beginning 1 July and ending 30 June.

being distributed in Cyprus, Iran, Lebanon and Yemen. The food donations received by the Middle East in the period 1955-1961 under title III of Public Law 480 totalled about 360,000 tons at a value of more than \$107 million. The United Arab Republic (Egypt) received 78 per cent of the total in weight, followed by 8 per cent for Israel and 6 per cent for Iran. The rest was distributed in Iraq, Lebanon, Syria and Turkey. 24/

Development plans and agricultural projects

Most of the countries of the Middle East have already formulated economic development plans. Some of these plans have entered the implementation stage; others are still under consideration. Table 1-4 shows the share of the agricultural sector in planned development expenditures.

It is evident that most of these countries plan to devote substantial proportions of their public investment resources to the development of agriculture. The share of agriculture in planned total investment ranges from a minimum of 14 per cent in Lebanon to a maximum of almost 51 per cent in Syria.

According to the five-year programme of economic development in Cyprus, 25/ the Government plans to devote close to £19 million to agriculture, including water dams, animal husbandry and animal breeding, forests and fisheries. This constitutes close to 31 per cent of planned investment resources in the public sector in five years. As this plan was only recently formulated, it is not yet possible to tell how it will be implemented.

Iran has already gone through its first and second seven-year plans. The third development plan - which was announced in the autumn of 1961 - envisages an investment in agriculture of Rls 36.6 billion, representing over 36 per cent of total investment in five years. 26/ This sum will be expended on improvement of crops, support of production programmes, administration of land tenure, renovation of wells and ghanats, extension of irrigation programmes and development of research facilities.

At present, Iran has three major water storage projects actually under construction. The most important of these projects is the Sefid Roud Dam, which will store approximately 1,800 million cubic metres of water, irrigate close

24/ Source given in table 1-3.

25/ This is more commonly known as the Makarios Plan. See table VI-1 for details.

26/ See table VI-2 for sectoral allocations and the sources of finance.

Table 1-4. Planned Development Expenditures and the Share of Agriculture a/

(Millions of national currency units, except as indicated)

Country and period	Total investment	Investment in agriculture	Agriculture as percentage of total investment
Cyprus (1962-1966)	62.0	18.9 ^{b/}	30.5
Iran (1962/63-1967/68)	190.2 ^{c/}	36.6 ^{c/}	19.2
Iraq (1961/62-1965/66)	556.3 ^{d/}	113.0	20.3
Israel (1962/63) ^{e/}	522.5	143.2 ^{f/}	27.4
Jordan (1962-1967)	66.9	28.8 ^{g/}	43.0
Lebanon (1962-1966) ^{h/}	450.0	64.0 ^{i/}	14.2
Syria (1960/61-1964/65)	1,720.0 ^{j/}	875.0 ^{j/}	50.9
Turkey (1962) ^{k/}	4,986.0 ^{l/}	1,200.0 ^{m/}	24.0
UAR (Egypt) (1960/61-1964/65)	1,696.9 ^{n/}	392.0 ^{n/o/}	23.1

Source: National sources.

a/ Unless otherwise stated, the figures represent planned public expenditures.

b/ Including water dams, animal husbandry and breeding, forests and fisheries.

c/ Billions of rials.

d/ This figure includes an unspecified sum expected to become available through private participation.

e/ Estimates of public development expenditures for 1962/63 appearing in The Jerusalem Post, 28 February 1962.

f/ Including the Jordan water project and the development of Arava (Arid Zone).

g/ Including fisheries, forestry and water resources.

h/ Allocation for construction works authorized under Decree No. 7277 of 7 August 1961.

i/ Irrigation schemes.

j/ Planned public expenditure. Agriculture includes irrigation and land reclamation.

k/ Government of Turkey, State Planning Organization, Programme for the Year 1962 (for Transition into the Plan Period) (Ankara, October 1961).

l/ Total public investment. Total private investment is estimated to be LT 3,450 million in 1962.

m/ Current and investment public expenditures.

n/ Planned public and private investment.

o/ Including irrigation, drainage and the Aswan Dam.

to 180,000 hectares of land, and have an initial installed electric power capacity of 35 megawatts. This dam is expected to be completed in 1965. The Dez Dam - which is scheduled for completion in 1964 - is designed to irrigate 145,000 hectares and will have an initial installed capacity of 130 megawatts. The Karadj Dam will have a storage capacity of 205 million cubic metres and an initial installed capacity of 75 megawatts; it is scheduled for completion in 1963. The contract for the Lar/Latian Dam - with a storage capacity of 130 million cubic metres - was recently awarded to a French firm.

A five-year detailed economic plan was recently formulated for Iraq. 27/ According to this plan, Iraq contemplates the expenditure of over ID 556 million on development projects, 20 per cent of which is earmarked for projects in the agricultural sector. The major projects in agriculture are those related to water storage, irrigation and drainage, silos, ground water and agrarian reform. The investment allocations for irrigation and drainage alone constitute over 65 per cent of total allocations for the major projects in agriculture.

In 1961, Iraq completed a 65,000-ton capacity grain silo in Basra. Other completed silos include one of 24,000-ton capacity in Mosul, one of 16,000-ton capacity in Arbil and one of 8,000-ton capacity in Hillah. There are at present under construction two silos of 12,000-ton capacity each in Kut and Baghdad.

The major flood control and water storage schemes in Iraq - which have been under construction for many years - were completed in 1960. The Ramadi barrage was designed to divert the excess flood waters of the Euphrates to Lake Habbaniyeh, while the Samarra barrage was constructed to divert the waters of the Tigris to the Wadi-Tharthar depression for the dual purpose of water storage and hydro-power generation. Two large channels were built to connect Lake Habbaniyeh and the Wadi-Tharthar depression to the Euphrates and the Tigris Rivers, respectively.

The Derbendi-Khan Dam - the largest project at present under construction in Iraq - is designed to have a water storage capacity of 3,250 million cubic metres and a hydro-power potential of 112.5 megawatts. This project is scheduled for completion in 1962, at which time extended irrigation possibilities will have been created along the Diyala River.

In 1960/61, actual expenditures of the Israeli Government in the agricultural sector (including the Jordan water project) formed 29 per cent of total public development expenditures. The development budget for 1961/62 shows that 32 per cent of total public development expenditures was allocated to agriculture. According to the 1962/63 budget, the share of agriculture (including the Jordan water project and the development of Arava) constituted slightly over 27 per cent of total planned public development expenditures. 28/

The projects that have been completed or are at present being implemented in Israel fall into three groups. The first group constitutes district irrigation

27/ See table VI-3 for details.

28/ See table VI-4 for the development budgets 1960/61-1962/63.

systems which utilize springs and wells for the irrigation of land in the neighbourhood settlements. This undertaking has been largely completed. In the second group fall intermediate-size projects which include the drainage of the Hula Lake and the swamps in the vicinity for the irrigation of about 5,000 hectares of land. These projects have also been completed. However, the Lake Tiberias-Beit Shean spring-fed district irrigation system and the western Galilee and the eastern and western Yarkon-Negev projects are still under construction. The third and most important group includes a series of projects known as the Jordan-Negev scheme. This scheme is designed upon completion to carry about 320 million cubic metres of water annually from the Jordan River, over a distance of 160 kilometres, to the Negev Desert west of Beersheba. The work on this scheme involves the construction of a diversion canal, pipelines and water storage facilities, the generation of hydro-power and the supply of water for agricultural and industrial uses. The cost of this scheme was initially estimated at £1 483 million, but indications are that it will be revised upwards. It is estimated that this scheme will eventually put about 26,000 hectares of land under irrigation. It was started in 1953 and the first stage is scheduled for completion in 1964.

A five-year programme for economic development was recently announced by Jordan. ^{29/} This plan calls for a total development expenditure of JD 127.3 million, 52.6 per cent of which is expected to come from the public sector. Planned public investment in agriculture (including fisheries, forestry and water resources) constitutes 43 per cent of total planned public investment, and investment in agriculture (both public and private) forms 32 per cent of total planned investment.

The specific proposals of the Jordanian plan for agriculture proper include: expansion of the activities of the research department of the Ministry of Agriculture; improvement in the extension service; strengthening of the Agricultural Credit Corporation; establishment and operation of a wheat seed certification programme; establishment of an Agricultural Marketing Bureau; determination of the location and the amount of land for planting with olives, fruit trees and vines; determination of the feasibility of a number of livestock projects; improvement and expansion of veterinary services; management of range lands; establishment of hay-bales centres to harvest wild grasses now growing on government lands; expansion of the size and number of agricultural credit and thrift co-operatives in order to facilitate the supply of seasonal credit to farmers; establishment of a Farm Indebtedness Board, with a view to registering all existing agricultural debt, restating and readjusting this indebtedness and registering and regulating all future agricultural lenders, and the staffing of the Lands and Surveys Department.

The fisheries programme in the plan calls for the establishment of the rights of the Jordanian fishermen in the coastal waters of Saudi Arabia and the United Arab Republic (Egypt); a crash programme which would enable the Jordan Fisheries Company to increase its catch to 300 tons per year; a full-scale feasibility study of marine fisheries, and a feasibility study of fish pond development.

^{29/} See table VI-5 for the major categories of investment and the sources of finance.

The forestry programme of the Jordanian plan contains eleven specific proposals, of which the following are especially significant: the afforestation of 175,000 dunums; 30/ the planting of trees on 24,000 dunums along the banks of perennial wadis; the provision of forests of at least fifty dunums each for 500 villages; the proper evaluation of all legislation and regulations relating to forest development, and the provision of the necessary staff, organization, overhead and training for the Department of Forests.

The programme for water development contains two specific proposals: the expansion of the activities of the Central Water Authority (CWA) and the completion of stages I and II of the Yarmouk-Jordan Valley project by the East Ghor Canal Authority.

The plan gives CWA the right to conduct and supervise nineteen individual programmes and activities, ranging from spring development, small irrigation projects, cistern construction and well drilling to municipal water supply and major agricultural projects. 31/

The Yarmouk-Jordan Valley project is entrusted to the East Ghor Canal Authority. This project has five stages, only the first two of which will be completed in the plan period. Stage I - at present under construction - consists of an intake on the Yarmouk River and seventy kilometres of main conveyance and distribution canals, designed to irrigate 120,000 dunums of land lying below the main canal on the East Ghor between the Yarmouk and Zarqa Rivers. The construction cost of stage I is estimated at JD 5.4 million or about JD 45 per dunum. Stage II consists of the construction of the Adasiya Diversion Dam on the Yarmouk River, the Wadi Khalid Storage Dam and a 1,000-kilowatt power plant, and the extension of the main canal by forty-three kilometres from the Zarqa River to the Dead Sea. Stage II will provide irrigation for an additional 100,000 dunums in the East Ghor south of the Zarqa River. The total construction cost of stage II is estimated at JD 12.1 million or JD 121 per dunum. The weighted average cost of the two stages is estimated at about JD 80 per dunum.

Lebanon recently announced a five-year public development programme, authorizing the allocation of LL 450 million for construction works, 32/ LL 64 million of which is earmarked for irrigation schemes. 33/

The Litani multi-purpose project is by far the most important development undertaking in Lebanon. The total construction cost of this complex project was originally estimated at LL 341.9 million, 34/ LL 117.1 million of which was

30/ One Jordanian dunum equals 1,000 square metres.

31/ The Hashemite Kingdom of Jordan, The Jordan Development Board, Five Year Program for Economic Development, 1962-1967 (Amman), pages 99 to 116.

32/ See table VI-6 for the major categories of allocation.

33/ Excluding expenditures on the Litani project.

34/ United States Department of Interior, Bureau of Reclamation, Development Plan for the Litani River Basin, vol. I (Beirut, June 1954), pages IX-3 to IX-5.

to be expended on phase "A" of the project. Upon completion, this project will make possible the irrigation of 26,000 hectares of land. The Lebanese Government was able to obtain a \$27 million loan from the International Bank for Reconstruction and Development towards the foreign exchange requirements of the project. Work on the Litani project started some time ago, but suffered delays due to unforeseen technical difficulties.

In 1960, Syria announced a five-year plan for economic and social development designed to double national income in ten years or raise it by 40 per cent in the first five years. 35/ The plan envisages a total investment of LS 2.7 billion, 37 per cent of which is expected to become available through private participation. Public investment in agriculture (including irrigation and land reclamation) constitutes close to 51 per cent of total public investment, and investment in irrigation and land reclamation forms 89 per cent of total public investment in the agricultural sector. The construction of silos and centres for seed classification represents a large proportion of the remaining planned public investment in agriculture.

Among the irrigation and land reclamation schemes, the Ghab and 'Asharneh project and the Euphrates project (lower basin) are the most important. 36/ The Ghab project includes mainly the drainage of marshes, and the construction of storage dams at Mharda and Rastan, a diversion weir at 'Asharneh and a network of subsidiary canals. This project has been under construction for a number of years and is now almost complete. The total cost of this project, exclusive of hydroelectric plants, was originally put at LS 140 million. 37/ It is expected that 70,000 hectares of land will come under irrigation when the Ghab project is in full operation.

The Euphrates project has been under study since 1948 and the plan has undergone major revisions on several occasions. According to the 1955 report of the International Bank for Reconstruction and Development, the Euphrates project, as it was then conceived, was to put 404,000 hectares of land under irrigation, of which only 252,000 hectares represented new irrigated area. The total cost of the project, inclusive of the Youssef Pasha Dam, was then put at LS 710 million. 38/ The Syrian plan, on the other hand, contains a total investment allocation of LS 304 million in five years for the lower basin of the Euphrates project which,

35/ See table VI-8 for the planned development expenditures and sources of public finance. The plan is at present under review and is subject to revision.

36/ The other projects which are at present under consideration or are being implemented are as follows: Rouj, Khabour, Barada and Awaj, Upper Orontes, Muzayrib, Al-Sinn, Baniyas, and Yarmouk.

37/ United Nations Relief and Works Agency for Palestine Refugees, Quarterly Bulletin of Economic Development, No. 15, "The Economic Development Projects of Syria" (Beirut, March 1958) (mimeographed), pages 53 to 54.

38/ International Bank for Reconstruction and Development, The Economic Development of Syria (Baltimore, 1955), annex D, page 339.

upon completion, is expected to put 75,000 hectares of new land under irrigation.^{39/} It is understood, however, that this project was recently redesigned on a larger scale and agreement was reached with the Government of the Federal Republic of Germany for the financing of a substantial portion of the foreign exchange component of the total cost of the project.

It is of interest to note that, according to the Syrian plan, the irrigation and land reclamation projects will, upon completion, put 254,000 hectares of additional land under irrigation; they will cost a total of LS 780 million and, in the fifth year, will generate an annual net income of LS 145 million.^{40/}

In this connexion, mention should also be made of the fact that Syria has embarked upon a programme designed to expand considerably its grain storage facilities. The contract for the construction of fourteen grain silos - with a total capacity of 170,000 tons - was recently awarded to a Danish firm. Work on these silos was scheduled to start in 1961 and will take five years to complete. Five of the planned fourteen silos will be located in the Jazirah.

Turkey is at present in the process of preparing a five-year development plan. According to the 1962 development programme - designed to facilitate the transition into the plan period - Turkey has allocated LT 1.2 billion for investment in agriculture, ^{41/} representing 24 per cent of total public investment in 1962. ^{42/}

Among the programmes for agricultural development in Turkey, the following are under serious consideration: a programme to terrace vast areas of unproductive hilly land and plant it to fruit trees; a plan to correct the adverse effects of erosion, deforestation and over-grazing of grass land, and a plan to build cold storage facilities for the development of the Istanbul fisheries.

In 1960, the United Arab Republic (Egypt) announced a five-year economic and social development plan designed to double national income in ten years or raise it by 40 per cent in the plan period. The total investment requirements in the period 1960/61-1964/65 (in 1959/60 prices) are estimated to £E 1,697 million, 23 per cent of which is earmarked for the agricultural sector, including irrigation and drainage and the Aswan Dam. ^{43/}

^{39/} The Syrian plan does not give further details.

^{40/} This represents a marginal capital-output ratio of 5.4 for all the new irrigation projects taken together.

^{41/} The figure includes current public expenditures, as the investment component could not be disaggregated.

^{42/} See table VI-9 for estimated public and private investment expenditures for 1959-1962.

^{43/} Total investment presumably includes anticipated investment by the private sector, but the magnitude of the latter is not explicitly stated. See table VI-10 for the distribution of total investment between foreign and domestic currencies.

Agriculture (including livestock) will receive about 58 per cent of total investment in the agricultural sector, divided into £E 173.4 million for horizontal expansion and £E 51.9 for vertical expansion. The total investment allocation for irrigation, drainage and the Aswan Dam is £E 166.7 million, 44/ only 28 per cent of which is earmarked for the Aswan Dam in the plan period.

As a result of these development activities, value added in the agricultural sector (at 1959/60 prices) is expected to rise by about 30 per cent, from £E 400 million in 1959/60 to £E 521 million in 1964/65.

The High Aswan Dam, construction on which started in 1960, differs from the already existing dams in the irrigation network in that the others are annual storage reservoirs - filled at flood time in order to supply the water needed in the low season - while the dam at present under construction will serve as a long-term storage reservoir. It will have a storage capacity of 130 billion cubic metres, or twenty-six times that of the existing Aswan reservoir. The water thus stored will make possible the irrigation of an additional million feddans (acres) of land and the conversion of basin to perennial irrigation of 700,000 feddans. The foreign aid for this project, which will take ten years to complete, is provided through an economic and technical assistance agreement reached with the Soviet Government.

Agrarian reform

The trend towards agrarian reform in the Middle East gained momentum in recent years. Started in the United Arab Republic (Egypt) in 1952, land reform measures were later taken in Iran, Iraq and Syria. In addition to the land which has been expropriated or is still in the process of expropriation, the national Governments of the above-mentioned countries added state domains to the area earmarked for distribution to landless farmers. This state property often includes new land which is being brought under cultivation by means of reclamation and irrigation schemes. The main purpose for such actions has invariably been the desire to bring about significant improvements in the living conditions of the farm communities and gradually to introduce modern farming methods.

Iran has so far had three programmes relating to land reform. 45/ The first programme was based on a 1951 decree, authorizing the distribution of crown lands to actual peasant cultivators. Bank Omran was charged with the implementation of this programme. The price was fixed at 80 per cent of the assessed value of the allotted land, payable in twenty-five annual instalments without interest charges. About 250,000 hectares were distributed in the period 1952 to 1961 and the transfer of the balance of the crown lands is expected to be completed by the end of 1963.

44/ This sum does not include the reimbursement of Owein storage in Uganda or the Aswan Dam reimbursement.

45/ "Progress in Land Reform", a joint study by the United Nations, the Food and Agriculture Organization and the International Labour Organisation (mimeographed document E/3603, 5 April 1962), page 74.

The second programme was started under a 1955 law. This was administered by the Ministry of Agriculture. By December 1959, 140,000 hectares - covering twenty-nine villages - had been distributed under this law.

The third programme came into operation as a result of the Land Reform Law of 1960 which aimed at limiting individual holdings to not more than 400 hectares of irrigated land or 800 hectares of non-irrigated land, or an appropriate combination thereof. An amendment to the 1960 Law, which was passed in January 1962, is designed to limit land-holding to one village only. Land held in more than one village is subject to expropriation, against compensation, and sold to peasants on easy terms. It has been reported that redistribution started as of March 1962.

The Iraqi Government passed an Agrarian Reform Law in September 1958 which fixed the maximum area of a holding to 250 hectares for irrigated land or 500 hectares for non-irrigated land. Land in excess of the ceiling is subject to expropriation, against compensation, and is made available for redistribution in allotments of from 7.5 to fifteen hectares of irrigated land and from fifteen to thirty hectares of non-irrigated land. 46/

The total area subject to the Agrarian Reform Law was over 2.2 million hectares, of which over 1.2 million hectares were expropriated as of 31 August 1961. 47/ However, only 427,998 hectares reached the state of "finalized expropriation". The total area distributed as of 31 August 1961 was 517,210 hectares and the number of peasant families fully investigated for the purpose of land redistribution was 28,877, representing 123,187 persons. Furthermore, a total area of over 1.5 million hectares was leased to the farmers under a temporary administrative arrangement, representing 58 per cent of state domain land, 41 per cent of expropriated land and 1 per cent of land under foreclosure. 48/

Land reform in Israel was used mainly for the purpose of settling immigrants. Despite the diversity of settlement patterns and community structures, these settlements have the following common characteristics: the land is nationally owned and leased to the operators on a long-term basis; operators have access to resources which enable them to make a living for the family, and the effort to give the farmer income parity with his urban counterpart is fairly successful. 49/

The two important types of settlement in Israel are the kibbutz (a collective settlement) and the moshav (a co-operative of small farms composed of from

46/ Companies and agricultural societies were allowed to hold uncultivated land in excess of the ceiling for the purpose of reclamation and development. See "Progress in Land Reform", op.cit., page 75 for details.

47/ The latter figure includes state-owned land which was formerly on a long-term lease to farmers, but reverted back to the State.

48/ Government of Iraq, Land Reform (Baghdad) (in Arabic).

49/ "Progress in Land Reform", op.cit., pages 125 to 128.

seventy to eighty small holdings). The moshav type of settlement has been more popular, representing more than 75 per cent of all settlements established since 1948.

Israel has recently tried to combine features of large-scale operations with those of family farms in new settlements, such as those in the Lachish region. This is an attempt to combine co-operative action with individual tenure. Although full evaluation of the results is not yet possible, the available information seems to indicate that the adjustment to farming, under these conditions, has been successful.

Land reform in Syria is based on two laws enacted in 1958. The first regulated the relations between landowners and tenants and the second set a maximum limit to land ownership. 50/

According to the latest available official statistics 51/ and as of 10 June 1961, the total expropriated area was 670,212 hectares, covering 678 villages and distributed as follows: 21,349 hectares of irrigated land, 606,027 hectares of non-irrigated land and 42,836 hectares of uncultivated land.

The expropriated area that was actually distributed, as of 10 June 1961, was 148,439 hectares, divided into 8,479 hectares of irrigated land, 97,969 hectares of non-irrigated land, 1,372 hectares of land planted to trees and 40,619 hectares of uncultivated land. The beneficiaries of the redistribution of land through expropriation were 14,064 families, representing 49,083 persons. Moreover, the State also distributed 27,090 hectares of public domain to 2,090 families, representing 11,640 persons. This put the total distributed area, as of 10 June 1961, at 175,529 hectares and the total number of beneficiaries at 60,723 persons.

As a complement to the agrarian reform movement, co-operative societies were formed in order to assist the farmers in their productive endeavours. The first was established in January 1959 and by 10 May 1961 the number of these societies stood at 134, with a membership of 10,671 and a total area of 188,161 hectares. The number of villages associated with these co-operative societies was 184.

Early in 1962, the Syrian Constituent Assembly amended the Agrarian Reform Law of 1958. The important features of the amendments were as follows: 52/ ownership of land was to be made more flexible, depending on the availability of water resources and the mode of cultivation in each region; family members

50/ See United Nations, Economic Developments in the Middle East, 1958-1959 (Sales No.; 60.II.C.2), page 13, for details.

51/ Syria, Ministry of Land Reform, Directorate of Statistics, A Summary of Land Reform Statistics (in Arabic).

52/ Centre d'études et de documentations, Etude mensuelle sur l'économie et les finances de la Syrie et des pays arabes (Damascus), No. 49, January 1962, pages 44 to 47.

were to receive the same share of land as that authorized to the head of the family; the peasants were to receive their new land free of charge and the financial burden of expropriation was to be assumed by the State and, finally, the land reform bond redemption period was to be reduced from forty years to ten, carrying 2.5 per cent interest instead of 1.5 per cent, and the bonds were to become negotiable.

Agrarian Reform in the United Arab Republic (Egypt) has evolved through the following four basic measures adopted by the Government: the Land Reform Act of 1952, which set a ceiling to holdings and made provisions for the regulation of tenancy and the fixing of wages for agricultural labourers; the Land Reform Law of 1961, which lowered the ceilings established earlier; the reclamation and distribution of State-owned land, and the consolidation of land use and the adoption of rotation systems outside the areas affected by the land reform legislation. 53/

According to the 1952 Law, holdings were limited to eighty-four hectares per individual and 126 hectares per family. The 1961 Law reduced the area to forty-two hectares per individual and sixty-three hectares per family.

Prior to the July 1961 amendment, the total expropriated area was 188,100 hectares. This area includes 75,600 hectares of confiscated land previously the property of the former royal family, but excludes the Waqf land estimated at 33,331 hectares. 54/ It is estimated that the 1961 Land Reform amendment will make available for redistribution 104,580 hectares of additional land.

The latest available figures put the area actually distributed at 168,000 hectares, 90 per cent of which represents expropriated land; the rest constitutes Waqf land, reclaimed land, and some sequestered British and French holdings.

Originally, compensation to the owners of the expropriated land was to be made in the form of thirty-year non-negotiable bonds bearing 3 per cent interest. A 1958 amendment increased the redemption period to forty years and reduced the interest rate to 1.5 per cent. The same amendment increased the farmers' repayment period to forty years, reduced the interest rate on instalments to 1.5 per cent, and the service fees from 15 to 10 per cent. In July 1961, the land reform beneficiaries were relieved of the obligation of payment of 50 per cent of all future instalments due from them. Moreover, compensation due from future expropriation - in accordance with the 1961 amendment - was to be in fifteen-year negotiable bonds.

According to recent statistics, there are at present 3,101 agricultural co-operative societies in the United Arab Republic (Egypt). These societies have a total membership of 676,437 and serve an area of 601,805 hectares. 55/

53/ "Progress in Land Reform", op. cit., pages 71 to 73.

54/ United Arab Republic, Central Government, Exposé of Central Minister of Treasury and Economy on the Budget Project for the Fiscal Year July 1961-June 1962 (Cairo, 1961), page 62.

55/ Ibid., page 64.

CHAPTER 2

INDUSTRY^{1/}

Industrial development in the Middle East continued its expansionary trend in the period from 1957 to 1960. However, the rate of growth in the industrial sector - and the type of industries developed within that sector - varied considerably among the countries of the region, depending largely on the degree and direction of public participation in industrial growth, the availability of industrial raw materials, the ability to finance the investment requirements of industry (with special emphasis on the foreign exchange components of these investments), the desire for diversification with a view to counteracting and eventually stabilizing the fluctuations in national income resulting from excessive reliance on agriculture, the general position of the balance of payments, and the present and potential size of the domestic market.

With these important considerations in mind, some countries paid special attention either to industries of the import-substitution type or to their utilizing raw or semi-processed materials which formerly entered the export market in that state. Other countries concentrate on heavy industries - such as metallurgical and chemical industries ^{2/} - designed to expand the industrial base for future growth.

In line with the above-mentioned considerations, many countries of the region took measures directed at restricting imports of industrial commodities which compete with similar domestic products; freed imports of raw materials and machinery from customs duties; exempted certain new industries from income, real estate and production taxes; subsidized exports of certain manufactures, and increased the availability of industrial credit and facilitated the terms of borrowing. Moreover, most of these countries have either launched economic development programmes or are in the process of preparing such plans. In most of these programmes, the share of the industrial sector in total planned investment is substantial.

The contribution of industry to gross domestic product for selected countries is presented in table 2-1. ^{3/} Where available, the wholesale price index is also shown in order to give an idea of the changes in the price level which may be utilized in the rough calculation of real growth in each country.

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- ^{1/} The discussion in this chapter is limited to manufacturing industry, mining and quarrying and electricity production. The petroleum industry is treated in chapter 3.
- ^{2/} Petro-chemical and fertilizer industries received special attention in some countries.
- ^{3/} National income accounts for most countries of the region are serious inadequate and should be used with reservation. Moreover, due to differences in concepts and methods of calculation, the figures appearing in table 2-1 are not strictly comparable.

Table 2-1. Income and Price Indices and Percentages, Selected Countries, 1957-1960
(1957 values in millions of national currency units)

Country and item	1957	1958	1959	1960
<u>Cyprus:</u>				
1. Industry a/	19.4	92	97	101
2. Gross domestic product at current factor cost	84.2	95	91	89
3. (1) as percentage of (2)	23.0	22.2	24.5	26.2
4. Cost of living index	100	105	106	107
<u>Iraq:</u>				
1. Industry (including oil sector)	86.5	137	152	168
2. Industry (excluding crude oil but including oil refining)	33.6	95	111	135
3. Net national product at current factor cost (including oil sector)	298.0	107	127	145
4. Net national product at current factor cost (excluding crude oil but including oil refining)..	245.1	95	117	135
5. (1) as percentage of (3)	29.0	37.2	34.6	33.7
6. (2) as percentage of (4)	13.7	13.8	13.1	13.7
7. General wholesale price index	100	90	98	102
<u>Israel:</u>				
1. Industry a/	592.0	114	131	147
2. Gross domestic product at current factor cost	2,533.0	114	129	143
3. (1) as percentage of (2)	23.4	23.4	23.8	24.1
4. General wholesale price index	100	102	102	101
<u>Jordan:</u>				
1. Industry b/	6.8	112	116	132
2. Gross domestic product at current factor cost	61.9	112	120	127
3. (1) as percentage of (2).....	11.0	11.0	10.6	11.5
4. General wholesale price index	100	107	109	119
<u>Lebanon:</u>				
1. Industry a/	189.0	96	...	115 c/
2. Net domestic product at current factor cost	1,503.0	88	...	119 c/
3. (1) as percentage of (2)	12.6	13.7	...	12.2
4. General wholesale price index	100	101	102	...
<u>Syria:</u>				
1. Industry a/	299.0	112	113	114
2. Net domestic product at factor cost of 1956	2,514.0	87	90	84
3. (1) as percentage of (2)	11.9	15.2	15.0	16.1
4. General wholesale price index (1956 = 100)	96	94	99	104
<u>Turkey:</u>				
1. Industry a/	4,157.8	130	158	172
2. Gross domestic product at current factor cost	26,762.5	127	157	169
3. (1) as percentage of (2)	15.5	15.9	15.7	15.8
4. General wholesale price index	100	115	138	146

Source: International, national and private sources.

a/ Comprising manufacturing, mining and quarrying, and electricity, gas and water.

b/ Comprising manufacturing, mining and electricity. For 1957 and 1958, see Paul J. Klat, "The National Income of Jordan", Middle East Express (Beirut), 19 March 1962; for 1959 and 1960, based on the reply of the Government of Jordan to the United Nations questionnaire of November 1961 on economic trends, problems and politics.

c/ Based on preliminary data for 1961. For details, see Paul J. Klat, "The National Income of Lebanon", Middle East Express, 2 April 1962.

The share of industry in total income in 1957 varied from a minimum of about 11 per cent in Jordan to a maximum of 29 per cent in Iraq; 4/ the corresponding ratios in 1960 were 9.8 per cent in Jordan and 33.7 per cent in Iraq.

In Cyprus, income generated in the industrial sector fell to an index of 92 in 1958 (1957 = 100) and rose to 101 in 1960, whereas gross domestic product showed a persistent decline to an index of 89 in 1960. 5/ Thus, the share of industry first declined to 22 per cent in 1958, then rose to over 26 per cent in 1960. The cost of living index in 1960 was about 7 per cent above the 1957 level.

In Iraq, the index for income in the industrial sector (including the oil sector) rose sharply to 168 in 1960 (1957 = 100) 6/ and the index of net national product to 145. The share of industry rose from 29 per cent in 1957 to over 33 per cent in 1960. When crude oil production is excluded, the share of industry in total income becomes a stable ratio, averaging about 13.5 per cent in the period under discussion. The general wholesale price index dropped to 90 in 1958 (1957 = 100) and rose moderately to 102 in 1960. 7/

In Israel, income from industry rose sharply and steadily to an index of 147 in 1960 (1957 = 100), representing a rate of growth slightly higher than that of gross domestic product. Thus, the share of industry in total income rose from about 23.1 per cent in 1957 to 24.1 per cent in 1960.

In Jordan, income from industry rose to an index of 132 in 1960 (1957 = 100) and gross domestic product to an index of 127 in the same year. Thus, the relative position of the industrial sector remained fairly stable at about 11 per cent of gross domestic product. The general wholesale price index, on the other hand, rose to 119 in 1961 (1957 = 100).

In Lebanon, the changes in the income indices for industry and for total net domestic product followed the same pattern; a drop in 1958 and a rise to over 15 per cent of the 1957 level in 1961.

In Syria, the industrial sector made considerable progress in 1958 but the growth rate in the following two years was very modest. On the other hand, net domestic product (in 1956 prices) showed a substantial decline due to a serious drop in agricultural output. 8/

4/ When income accruing to Iraq from the oil sector is included in the ratio; when income from crude oil production is excluded, the relevant ratio drops to 13.7 per cent in 1957.

5/ This is mainly explained by the internal disturbances in 1958 and 1959, the decline in the receipts resulting from military base expenditures and the fall in the export prices of minerals.

6/ This reflects the sharp rise in crude oil production from a very low level in 1957 and the contribution of the oil sector to the national income.

7/ This is surprising in view of the fact that output of wheat, barley, rice and dates declined in this period and imports in 1958 and 1959 dropped sharply, thus reducing considerably the total availability of goods in Iraq.

8/ The improvement in the relative position of the industrial sector is largely a reflection of the decline in total income.

In Turkey, income from the industrial sector rose to an index of 172 in 1960 (1957 = 100), a rate of growth slightly higher than that of gross domestic product. The relative share of industry in the total was thus stable at an annual average of about 15.7 per cent in the period under review. However, the general wholesale price index rose sharply to 146 in 1960 (1957 = 100), averaging about 15 per cent per annum.

Industrial production and related developments

The regional production indices for the major manufacturing industries, electricity and the mining industries, for the period from 1957 to 1960, are presented in table 2-2. 9/

The regional output of electricity 10/ increased steadily, from about 7.5 billion kilowatt-hours in 1957 to about 11.4 billion in 1960, representing a 52 per cent rise in three years. With the exception of Jordan - where electricity production remained constant throughout this period - output in all countries of the region showed significant increases, from a minimum rise of 18 per cent in Lebanon to a maximum rise of 77 per cent in Iraq in three years.

The regional output of some selected manufacturing industries recorded different rates of growth in this period. Sugar production registered the highest increase, to an index of 145 in 1960 (1957 = 100). 11/ Compared to the 1957 production level, there was a rise of 40 per cent in 1960 for cement, 33 per cent for nitrogenous fertilizers, 22 per cent for cotton yarn, 12/ 16 per cent for beer, 14 per cent for superphosphates 13/ and 8 per cent for cigarettes. 14/

Output of mining products did not show a definite trend. While production of manganese ore rose to an index of 191 in 1960 (1957 = 100), that of iron and chrome ores in 1960 was 28 per cent and 47 per cent below the 1957 levels, respectively. Production of phosphates, on the other hand, increased to an index of 117 in 1959 (1957 = 100), but declined to 114 in 1960.

Having presented a general picture of industrial growth for some major regional products, the discussion will now proceed to give more details about the trends of commodity production in individual countries, the underlying factors affecting

9/ For the sake of brevity in presentation, it was necessary to combine the production of industrial commodities in a number of countries into separate indices. The major variations in industrial output in individual countries are discussed in the text.

10/ Including Aden, Bahrain, Kuwait and Saudi Arabia.

11/ The increase in sugar production in Turkey was a significant factor in the rise in this index. Its total output of sugar increased from 348,000 tons in 1957 to 618,000 tons in 1960.

12/ The increase in cotton yarn production in the United Arab Republic (Egypt) was a major factor, from 81,000 tons in 1957 to 105,000 tons in 1960.

13/ Output of superphosphates fell by 7 per cent in 1958 and then resumed a rising trend.

14/ Cigarette manufacture had no definite trend in this period.

Table 2-2. Indices of Output of Major Industrial Products, 1958-1960
(1957 = 100)

Product and country	1957 (thousands of tons, except as indicated)	1958	1959	1960
<u>Electricity (millions of kWh):</u>				
Cyprus, Iran, Iraq, Israel, Jordan, Lebanon, Syria, Turkey, UAR (Egypt)	7,073	115	130	152
<u>Iron ore (iron content):</u>				
Lebanon, Turkey, UAR (Egypt)	868	82	79	72
<u>Copper ore (Cu content):</u>				
Cyprus, Turkey	58	93	98	100
<u>Manganese ore (Mn content):</u>				
Turkey, UAR (Egypt)	258	127	153	191
<u>Chrome ore (Cr₂O₃ content):</u>				
Cyprus, Iran, Turkey	466	69	50	53
<u>Phosphates:</u>				
Israel, Jordan, UAR (Egypt)	1,000	106	117	114
<u>Superphosphates:</u>				
Israel, Turkey, UAR (Egypt)	319	93	108	114
<u>Nitrogenous fertilizers:</u>				
Israel, Turkey, UAR (Egypt)	46	107	120	133
<u>Cement:</u>				
Cyprus, Iran, Iraq, Israel, Jordan, Lebanon, Syria, Turkey, UAR (Egypt)	5,413	110	128	143
<u>Sugar:</u>				
Iran, Israel, Syria, Turkey, UAR (Egypt)	763	109	129	145
<u>Beer (thousands of hectolitres):</u>				
Iraq, Israel, Lebanon, Syria, Turkey, UAR (Egypt)	626	112	116	116
<u>Cigarettes (millions):</u>				
Iran, Iraq, Israel, Jordan, Lebanon, Syria, Turkey, UAR (Egypt)	51,808	111	105	108
<u>Tobacco:</u>				
Iran, Iraq, Israel, Jordan, Lebanon, Syria, Turkey, UAR (Egypt)	44,415	108	105	107
<u>Cotton yarn:</u>				
Israel, Lebanon, Syria, Turkey, UAR (Egypt)	182	112	114	122

Source: See table II-1 for details.

these trends, and the direction of industrialization as manifested by projects which have already been completed or are at present in the course of execution. 15/

The output of electricity in Cyprus increased steadily to an index of 136 in 1960 (1957 = 100). The output of copper ore (Cu content) declined to an index of 91 in 1958 (1957 = 100) and rose slightly to an index of 94 in 1960. The output of chrome ore (Cr₂O₃ content) more than doubled in this period, rising to an index of 233 in 1960 (1957 = 100). 16/ Cement production was constant in 1958 and 1959 at an index of 122 (1957 = 100) but increased by 4 per cent in 1960.

Cyprus produces a number of other mineral products, such as asbestos, iron pyrites, gypsum and terra umbra. Production data for these minerals are not available, but, as the bulk of most of these items is exported, the known rise in the export data is a sufficient indication of the general increase in production in this period.

The importance of mining to the economy of Cyprus can hardly be over-emphasized, as the annual average export (in value) of minerals in this period constituted about 50 per cent of the annual average of total exports, and the income generated in mining and quarrying average about 11 per cent of gross domestic product or about 45 per cent of the income generated in the industrial sector.

Until recently, manufacturing in Cyprus was almost entirely confined to the processing of agricultural products and the production of cigarettes (mainly from imported tobacco), alcoholic beverages and cement. Cement production rose from 68,000 tons in 1957 to 88,000 tons in 1960. 17/ The output of tobacco manufactures, alcoholic beverages and beer, all of which are more susceptible to foreign competition, declined in this period. 18/

High production costs are a serious obstacle to the industrial development of Cyprus. This is mainly due to the relatively high and rising wage rates which weaken the competitive position of the existing industries and hamper the creation of new ones. As a partial remedy to these problems, protective measures were introduced under the Revised Customs Tariff of 1958 which resulted in the establishment of a number of new industries - such as furniture, tire retreading, detergents, pharmaceuticals, paints, aluminium utensils, plastics and batteries - and the expansion of some of the old ones.

Industrial growth in Iran continued its upward trend in this period, resulting in substantial increases in the output of existing industries and in the establishment of new ones. The output of electricity rose moderately in 1958 but gained momentum in 1959 and 1960, rising to an index of 162 in the latter year (1957 = 100). The construction of a new power station in Tehran and the

15/ See table II-1 for details regarding the volume of industrial production (selected commodities) for most countries of the region.

16/ This was because chrome ore production rose from 3,000 tons in 1957 to 7,000 tons in 1960.

17/ Most of the rise occurred in 1958 when cement production increased to 83,000 tons.

18/ Republic of Cyprus, Economic Review, 1960 (Nicosia, 1961), page 44.

rehabilitation of the Ahwaz distribution network accounted for most of the observed increase in electric power supply. The completion of the Sefid Rud, Dez, Karadj and Lar/Latian dams will further increase Iran's capacity for electric power production by a substantial amount.

Iran's coal and chrome (Cr_2O_3 content) output in 1960 was 14 and 24 per cent, respectively above the 1957 levels. Iran also produces other mineral products - such as iron, copper, lead, zinc, manganese, sulphur and iron oxide quartz - the data for which show a decrease in output for iron, lead and manganese in 1959/60 as compared with 1958/59 and an increase for the other items. 19/ Receipts from mineral exports declined from Rls 400 million in 1957 to Rls 280 million in 1958 and maintained the 1958 level in 1959 and 1960. 20/

The output of some selected manufacturing industries in Iran - such as sugar, cigarettes, tobacco processing and cement - showed different rates of increase, ranging from an index of 109 in 1960 (1957 = 100) for sugar to one of 250 for cement. Sugar production rose sharply in 1958 to an index of 137 (1957 = 100), registered a minor decline in 1959 and dropped to an index of 109 in 1960. Output of cigarettes in 1960 was 35 per cent and of tobacco processing 12 per cent above the 1957 levels. The largest increase took place in cement production, which rose to an index of 131 in 1958 (1957 = 100), 185 in 1959 and 250 in 1960. These sharp increases were the result of the construction of several cement factories designed to satisfy the needs of the expanding construction industry in general and the building of dams in particular.

Among the long-established industries in Iran, the most important are the carpet industry, textiles (especially cotton piece-goods), knitting mills, leather tanning, matches, tea processing, vegetable oils, soap and chemicals. Available data for some of these industries show that output in 1959/60 was substantially above the 1957/58 level. Tea processing increased by about 38 per cent and production of matches by 55 per cent between 1957/58 and 1959/60. Output of cotton piece-goods increased by 92 per cent, reaching about 143 million square metres in 1959/60, and soap and vegetable oils more than doubled the 1957/58 output. 21/

The carpet industry is Iran's most important manufacturing industry. No data are available on the quantity produced but trade figures indicate an export of 5,000 to 6,000 tons annually, accounting for about 20 per cent of Iran's exports (in value, excluding petroleum). Receipts from carpet exports, which were Rls 1.48 billion in 1957, declined slightly in 1958 but rose substantially to Rls 1.93 billion in 1960. 22/

In the period under review, both the public sector - mostly represented by the Plan Organization - and the private sector were active in expanding existing

19/ Iran Press Bulletin for Trade and Economics, 27 November 1960 (Tehran), page 13.

20/ The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Annual Supplements (London), July 1960 and November 1961.

21/ The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Annual Supplement, November 1961.

22/ United Nations, Yearbook of International Trade Statistics, 1960 and The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Annual Supplement, November 1961.

industries and establishing new ones. The Plan Organization undertook the construction of two cement plants, two textile mills, one dyeing and finishing plant, four sugar mills, one sugar refinery and one food processing plant. ^{23/} The private sector has completed or is in the process of building eight sugar mills, three sugar refineries, five cement plants, a few chemical and pharmaceutical plants, one heating stove factory, and expansions in the existing textile industry. Furthermore, a Goodrich tire plant - with a potential output of 200,000 tires and 200,000 tubes annually - was inaugurated in April 1961, and a Fiat assembly line was opened in May 1961.

Prior to 1955, industry in Iraq - excluding the oil sector - consisted mainly of handicrafts and a few industrial establishments engaged primarily in the production of light consumer goods. Since then, however, the industrial sector has experienced considerable expansion, mainly as a result of the impact of the development programmes launched by the Iraqi Government.

Output of electricity in 1960 was 77 per cent above the 1957 level. This increase was mainly due to the installation of three power stations - one in Baghdad with 80 megawatts, one in Kirkuk with 60 megawatts and one in Basrah with 45 megawatts - which reached the operating stage in 1959 and 1960. Additional plans for the installation of new power generators and the utilization of hydroelectric power are at present under way, and work is proceeding on the construction of sub-stations for wider distribution of electric power.

The combined output of alcohol and alcoholic beverages rose to an index of 111 in 1959 (1957 = 100), after having remained constant in 1958. Beer production declined to an index of 97 in 1958 (1957 = 100) and rose to 133 in 1959. Tobacco processing in 1959 was about 10 per cent above the 1957 level and cigarette manufacturing in 1960 was about 33 per cent above the production level of 1957. The production index for cement in 1960 was 114 (1957 = 100). ^{24/}

Iraq's industrial production also includes cotton and woollen textiles, jute, leather tanning, soap, vegetable oil, matches, shoes and aluminium utensils. Available data for the fiscal year 1959/60 show that the output of blankets, cotton piece-goods, jute, shoes, matches and vegetable oils increased substantially above that of the previous year, while the tanning and aluminium utensil industries registered modest increases. ^{25/}

Most of the recent developments in industrial activity in Iraq were undertaken by the Ministry of Industry. A sugar factory in Mosul, with an average daily production of 100 tons, was completed in 1959. A cigarette factory in Sulaimaniyah, designed to produce 4 million cigarettes a day, was put into operation in 1961. Other industrial plants, which are at present under

^{23/} The Plan Organization has sold some of its factories to the private sector and is actively considering the sale of others.

^{24/} Data on Iraq's industrial production in 1960 are incomplete.

^{25/} Republic of Iraq, Yearbook of the Ministry of Industry, 1960/61 (Baghdad) (in Arabic).

construction, include a shoe factory in Kufa - with a planned capacity of one million pairs of shoes a year - which is scheduled for operation in 1962, a factory for the canning of fruits, vegetables and meats which is under construction in Kerbala, and a cotton fabric factory - with a planned annual capacity of 30.5 million metres - which is being built in Kut. In addition to the above, a factory for the production of antibiotics and chemicals is being built in Samarra and two factories for the production of electric bulbs and light equipment are being constructed near Baghdad within the framework of the Soviet-Iraqi Agreement.

Industrial production in Israel continued to register substantial increases in this period. The over-all rise in domestic demand for industrial products in 1958 and 1959 - largely due to higher income and lower personal taxes - and the favourable conditions prevailing in foreign markets in these two years for Israel's industrial commodities, resulted in the expansion of production in almost all branches of industry. However, the rate of increase declined in 1960 due to both the fall in domestic demand for certain consumer goods and intermediate products and a slower expansion rate of industrial exports.

In general, it may be said that industries catering to the increase of exports or the reduction of imports experienced high rates of expansion. However, the availability of raw materials, the limitation of production capacity and the shortage of labour in certain industries were important factors in the determination of the level of production in particular branches of industry.

The output of electricity in Israel rose substantially in this period, reaching an index of 163 in 1960 (1957 = 100). Consumption of electricity in industry rose from 463 million kilowatt-hours in 1957 to 770 million in 1960, roughly maintaining its relative position in this period at 39 per cent of total electricity consumption. ^{26/} Generating capacity was increased in 1961 by the addition of two 75-megawatt generators to the power station in Haifa.

The index for phosphate rock production rose to 138 in 1958 (1957 = 100), but declined to 135 in 1959. Available estimates for 1960 show a slight decline from the 1959 level.

The output of manufacturing industries rose substantially in this period; the increase in 1960 as compared to 1957 ranged from 9 per cent for cigarettes to 300 per cent for sugar. ^{27/} Most of the remaining industries, such as the rubber tires, paper and cardboard, cotton fabrics, cotton yarn, liquor, beer, sulphuric acid and nitrogenous fertilizers, also registered significant increases. Cement production, however, dropped slightly in 1958 and rose moderately in 1959 and 1960.

The diamond industry continued to grow and maintain its position as one of the most important industries in Israel. The receipts from diamond exports rose

^{26/} Statistical Abstract of Israel (Jerusalem, 1961), page 228.

^{27/} The output of superphosphates was an exception; it declined persistently to an index of 76 in 1960 (1957 = 100). Also, the sharp rise in sugar production is explained by the small output, of only 6,000 tons, in the base year of 1957.

from about \$35.5 million in 1957 to \$56.4 million in 1960, representing about 27 per cent of Israel's total value of exports in the latter year. In the first half of 1961, receipts from diamond exports reached about \$35.6 million. It should be added, in this connexion, that industrial commodities (exclusive of processed food) constitute the major part of Israel's exports, their share in total exports having risen from about 54 per cent in 1957 to over 62 per cent in 1960. 28/

Recently, Israel obtained a \$25 million loan from the International Bank for Reconstruction and Development and a \$10 million loan from a group of American banks in order to expand the existing potash plant on the Dead Sea from a 50,000-ton capacity in 1960 to a 600,000-ton capacity by 1965. 29/ Another group of American firms provided credits of \$10 million for the construction of a complex of petro-chemical plants near the Haifa refinery. The Fertilizers and Chemicals Company, Ltd. - producers of ammonia, industrial chemicals and superphosphates - are at present expanding their production facilities. In June 1961, an iron smelting plant near Acre - with a daily capacity of 150 tons - was put into operation. Also, plans are under consideration for the development of water desalinization plants and the production of electronic equipment.

In the automotive industry, the Kaiser-Illen plant recently started the assembling of Studebaker vehicles. Autocars, Ltd., are at present producing a variety of vehicles at the rate of 1,100 units per year. The British "Leyland" Company has also established a plant for the assembling of commercial vehicles. 30/

Industry in Jordan is of recent origin and the industrial sector is relatively small. However, judging by the official national income estimates, gross value added in the industrial sector in 1961 was close to 40 per cent above the 1957 level. 31/ This is largely supported by the available data on industrial production.

Output of electricity remained constant at about 20 million kilowatt-hours throughout this period, but recent plans call for the expansion of the capacity of electric power in the Jerusalem area.

Mining of phosphate rock is one of Jordan's main industrial activities. The output of about 362,000 tons in 1960 represents a 38 per cent increase over the 1957 level. This substantial expansion was made possible by the 1959 loan of \$1.5 million from the United States Development Loan Fund. The output of 201,000 tons for the first six months of 1961 is indicative of the rising trend

28/ Bank of Israel, Bulletin, No. 15, November 1961 (Jerusalem), page 121.

29/ A local currency expenditure equivalent to \$27 million is also anticipated on this project.

30/ "Israel's Automotive Industry", The Israel Economist (Jerusalem), March-April 1962, pages 57 and 58.

31/ Gross domestic product at current factor cost rose by about 43 per cent in this period.

which, upon the completion of additional facilities at present under construction, is expected to boost production to 500,000 tons in 1962 and to 650,000 tons in 1963. Export receipts from phosphates represented 21 per cent of total exports in 1957 and 37 per cent in 1960.

Tobacco processing continued to increase in this period, rising to an index of 147 in 1960 (1957 = 100). Cigarette manufacturing experienced a small decline in 1958, but rose to an index of 124 in 1960. Cement production showed mild fluctuations in 1958 and 1959 but rose sharply in 1960 to an index of 154. The first stage for the expansion of the cement industry - which was designed to raise its capacity to 200,000 tons per year - was completed in 1961. Jordan's manufacturing industry also includes the production of matches, soap, alcoholic beverages and beer, but lack of sufficient data makes any useful discussion impossible.

Recently, Jordan has been putting special emphasis on the development of industries which will assist in the improvement of its international payments position and utilize domestic raw materials. In line with this policy, an oil refinery at Zarqa was completed in 1961. This refinery had an initial capacity of 200,000 tons and a potential capacity of 300,000 tons per year. It is at present capable of supplying most of Jordan's needs for gasoline, kerosene and gas oil (diesel), at an annual saving of about JD 1.5 million of foreign exchange. It was built by the Italian firm, SNAM Progetti for the Jordan Petroleum Refinery Company, Ltd., which is a joint private and government enterprise.

In 1956, the Arab Potash Company was established - with the Egyptian, Iraqi, Jordanian, Lebanese and Syrian Governments as founding members - in order to exploit the potash in the Dead Sea. A pilot potash plant was recently completed and tested successfully. The construction of the main plant is expected to follow soon; it will have an initial capacity of 250,000 tons per year.

Among other important developments in the industrial sector of Jordan, there are the establishment of a brewery, a tannery and a car workshop near Amman. The workshop was recently completed at a cost of \$15.6 million and is designed to repair agricultural and building machinery as well as motor vehicles.

The industrial sector in Lebanon comprises mostly small-scale industries and crafts. The value added in industry in 1957, 1958 and 1960 formed an annual average of about 12.8 per cent of net domestic product at current factor cost.

The output of electricity recorded moderate increases in this period, reaching an index of 118 in 1960 (1957 = 100). This increase is largely accounted for by the expansion of the generating facilities at Zouk Mikhail to 109 megawatts, raising the total generating capacity of the country to 200 megawatts in 1960. Work is at present in progress on the third power station at Nahr Ibrahim. Upon the completion of the Litani project, Lebanon will experience a substantial rise in electricity production.

The internal disturbances of 1958 were largely responsible for the fall in output in most branches of industry. Production of iron ore declined from 19,000 tons in 1957 to about 11,000 tons in 1958 and 10,000 tons in 1959. Cement production first declined to an index of 90 in 1958 (1957 = 100), but rose sharply in 1959 and 1960, reaching 854,000 tons in 1960 as compared to 561,000 tons in 1957.

Lack of adequate data prevents a discussion on the remaining well-established manufacturing industries, such as those engaged in the production of beer, cigarettes and tobacco, and cotton yarn and fabrics. Indications are, however, that Lebanon has recently experienced an acceleration in its industrial growth. This may be deduced from the operation of new plants, which have started to produce paper and cardboard, cosmetics and pharmaceuticals and car batteries, and to refine sugar-beets in the Beqaa. In addition to the existing iron smelting plant, the first steel mill was put into operation in November 1961. 32/

Available data show that Syria's industrial output registered significant increases in the period from 1957 to 1960. With the exception of alcohol, wine and arak, 33/ output of the major industries in 1960 rose to a minimum index of 114 for tobacco (1957 = 100) and a maximum of 200 for beer.

Output of electricity rose from 262 million kilowatt-hours in 1957 to about 367 million in 1960. 34/ This was the result of the expansion in electric power generation which has been under way since 1959 in Damascus, Aleppo and Homs. An additional electricity generating unit of five megawatts was completed for Damascus in 1961 and other new power stations or expansions of existing facilities are due for completion in 1962.

The yarn and textile industries - cotton, silk and wool - continue to occupy a prominent position in Syria's industrial activity. In 1960, out of 3,417 industrial establishments with a total employment of 44,000, 1,916 with a total employment of 26,000 were engaged in textile production. Furthermore, out of a total capital of LS 397 million invested in the 3,417 industrial establishments by the end of 1960, the textile industry accounted for LS 214 million. 35/

Cement production continued its upward trend, rising to an index of 155 in 1960 (1957 = 100). This was because of the construction of two new cement factories in Aleppo and Rastan, which came into operation in 1959 and 1960, respectively.

Domestically produced raw sugar dropped sharply to an index of 57 in 1958 (1957 = 100), rose sharply again to an index of 186 in 1959 36/ and fell to 171 in 1960. The construction of a new sugar factory at Adra near Damascus

32/ United States Department of Commerce, World Trade Information Service, Basic Data on the Economy of Lebanon, part I, No. 61-75 (US Government Printing Office, Washington, D.C., 1961) and The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Annual Supplement, October 1961.

33/ The index for alcohol, wine and arak showed a persistent decline to 57 in 1960 (1957 = 100).

34/ See table II-1 for details.

35/ National Bank of Egypt, Economic Bulletin, vol. XIV, No. 2, 1961 (Cairo), page 212.

36/ Production of sugar-beets dropped from about 61,000 tons in 1957 to 32,000 tons in 1958 and increased to 92,000 tons in 1959.

in 1959 increased Syria's capacity of raw sugar production to 19,000 tons and its capacity of refined sugar production to 90,000 tons annually. 37/

According to information available, the output of other industries - such as canned food, vegetable oil, matches and glass - rose substantially in the period from fiscal year 1959/60 to 1961/62, while the output of soap and paints declined.

More recent developments include the establishment of industries such as cutlery, electric bulbs and bicycles, which came into operation in 1961. Also, new plants for the production of plastic items, batteries, washing machines, refrigerators, rubber shoes and pharmaceuticals are either completed or are in the process of completion. There are also plans for building a car assembly line in Latakia (through the co-operation of Fiat), a factory for the production of radios and television sets in Damascus and plants for salt refining and onion dehydration.

Turkey's industrial production in the period from 1958 to 1960 was marked by fluctuations caused largely by economic and political factors. In 1958, the deterioration in the balance of payments resulted in a serious decline in imports and adversely affected the availability of industrial raw materials and spare parts. 38/ Thus, in 1958, except for modest increases in the output of electricity, cement, sugar and a few other consumer products, there was no expansion in industrial activity. Mining products, steel ingots and superphosphates, on the other hand, suffered considerable declines.

In 1959, the resumption of imports of industrial raw materials and spare parts - made possible through the credit availability associated with the stabilization programme - helped in reversing the declining production trend. The largest increase occurred in the manufacturing industries, particularly in sugar, cement, steel and superphosphates. The mining industry, however, showed only partial recovery in 1960 mainly because of inadequate and slow replacement of equipment and the continuing unfavourable export prices for most mining products.

In 1960, the uncertainty resulting from the then prevailing political conditions and the events leading to and immediately following the May 1960 revolution, caused considerable hesitation in the market and slowed down recovery. In late 1960 and early 1961, however, the availability of foreign exchange and the improvement in international prices exerted a favourable impact on the economic climate, leading to moderate increases in industrial output.

As Turkish industry produces a wide range of goods, it is not possible to give a full account of all the industrial developments in this period. The discussion here will, therefore, be limited to the relatively significant increases in industrial production and the projects which have recently been completed or are in the process of construction.

37/ Syria's refined sugar production increased from 44,598 tons in 1957 to 69,631 tons in 1960. This was made possible through the rise in imports of raw sugar from 40,171 tons in 1957 to 75,475 tons in 1960.

38/ See the relevant section of chapter 4 for a detailed account.

The output of electricity rose from about 2.1 billion kilowatt-hours in 1957 to 3.1 billion in 1961, and industry continued to consume about 60 per cent of total production. ^{39/} Meanwhile, Turkey's electric power capacity rose from 939 megawatts in 1957 to 1,260 in 1960. Most of this increase represented hydroelectric generation. At present, six hydroelectric plants are under construction and four others are in the blue print stage.

Coal output declined to an index of 92 in 1960 (1957 = 100). However, plans are at present under way for the expansion of the Zonguldak coal mines in order to meet the coal requirements of the planned expansion of the steel industry. The Export-Import Bank is assisting in the development of these mines.

Sugar output increased to an index of 178 in 1960 (1957 = 100). Sugar and confectionery exports in 1957 were only \$3.7 million, representing 1.1 per cent of total exports (in value). After having declined in 1958 and 1959, they rose sharply in 1960 to about \$17.5 million, representing 5.5 per cent of total exports.

Cement production also registered significant increases, rising to over 2 million tons in 1960 as compared with about 1.3 million tons in 1957. An additional cement factory - which is at present under construction - will increase total production capacity by 180,000 tons annually.

Output of steel ingots declined to an index of 91 in 1958 (1957 = 100), but rose sharply to 122 in 1959 and to 151 in 1960. This was due to the expansion of the Karabuk steel mill, part of which is still under construction. The output of rolled products of the Karabuk mill, which reached 260,000 tons in 1961, is expected to rise to 480,000 tons in 1963.

A recent significant development in Turkey's industrial sector was the decision to build a steel complex at Eregli (near the Black Sea) at a total cost of \$250 million. ^{40/} It is expected that this steel complex will enter its first stage of operation in 1964 - with an initial production capacity of 265,000 tons of rolled products and 110,000 tons of steel ingots - and will reach its full capacity of 470,000 tons in 1965.

Other important developments include the construction of two oil refineries; one in Izmit, with a capacity of one million tons per year, and one in Mersin, capable of handling 3.2 million tons of crude oil per year. Both refineries are nearing completion. A nitrate fertilizer plant at Kutahya - with an initial capacity of 100,000 tons - was recently completed. A plant for the manufacturing of steel ropes - with an annual capacity of 200 tons - is scheduled for completion within one year. Other factories are under construction for the production of insecticides and tires and tubes.

^{39/} Government of Turkey, State Planning Organization, Programme for the Year 1962 (Ankara, 1961).

^{40/} Representing \$170 million of foreign exchange and \$80 million equivalent of local currency. The United States Development Loan Fund extended a loan of \$129 million; the remaining foreign exchange requirement was obtained from private firms in the United States, France and Italy.

Industrial production in the United Arab Republic (Egypt) registered, in general, substantial increases in the period from 1957 to 1960. The output of most manufacturing industries continued to rise steadily, but certain mining products showed a slow rate of growth or registered a decline. The general index of industrial production rose to 108 in 1958 (1957 = 100) and to 113 in 1959. 41/

Output of electricity rose from about 1.7 billion kilowatt-hours in 1957 to 2.6 billion in 1960, thus registering a 55 per cent increase in three years. Most of the increase took place in 1960 as a result of the expansion in generating capacity in that year.

Except for manganese ore production, which in 1960 was about eleven times its 1957 level, 42/ the output of iron ore and phosphates declined in 1958, recovered in 1959, but declined again in 1960.

The increase in the output of manufacturing industries in 1960 was moderate. Output of superphosphates rose to an index of 107 in 1960 (1957 = 100), sulphuric acid to 116 and nitrogenous fertilizers to 125, but phosphate production declined to 97.

The index for cement production rose to 126 in 1960 (1957 = 100) and that of steel products to 160. The increase in cement production was the result of both the expansion of the existing plants and the construction of two cement factories designed to produce Portland and slag cement. The sharp increase in steel products in 1960 was the result of the addition of a second high furnace at Helwan which came into operation in mid-1960. 43/

In the beverages and food processing industries, the index for wine output was 92 in 1960 (1957 = 100), that for beer, 111, and for sugar, 112.

Output of paper and cardboard rose to an index of 126 in 1960 (1957 = 100) and that of rubber tires to 178. 44/

The textile industry - cotton, wool, artificial silk and jute - continued to remain the most important manufacturing industry in the United Arab Republic (Egypt) despite the increasing importance of iron and steel production, chemical and engineering industries and food processing industries. Output of cotton yarn

41/ See table II-2 for details. The general index for 1960 is not available.

42/ Manganese ore production in 1957 was only 5,000 tons.

43/ The already completed high furnace and the new unit for the compression of soft iron, which is at present under construction, were made possible through the equipment supplied by the Soviet Union.

44/ The production of rubber tires increased from 157,000 in 1957 to about 279,000 in 1960.

increased from about 81,000 tons in 1957 to 105,000 tons in 1960. Production of cotton fabrics rose from 453 million metres in 1957 to 530 million in 1960. The gross value of output of the yarn and fabric industry rose from about £E 157 million in 1958 to £E 230 million in 1960, representing about 37 per cent of the manufacturing industry in 1957 and 42 per cent in 1960. 45/

Available data also show that new industries such as electrical equipment, canned fruits and vegetables, pharmaceuticals and insecticides registered significant increases in this period.

Among more recent industrial developments, the following are important: projects for the manufacturing of bicycles, sewing machines, and the assembling of automobiles, buses and trucks were brought to completion. The jute industry was expanded and the production of jute (yarn and fabrics) in 1960 was about 40 per cent above the 1959 level. A new ammonium sulphate factory - with a capacity of 100,000 tons - was completed in 1960 and the fertilizer factory at Aswan started production of ammonium nitrate (20.5 per cent nitrogen content). A plan for the carbonization of oil - as the first stage of a petro-chemical industry - is at present under construction by an Italian firm and is scheduled for completion in 1963. A factory for the manufacture of pharmaceuticals and antibiotics - capable of supplying 90 per cent of present domestic needs - is being built through Soviet aid. The Fiat Company is building a plant for assembling Fiat cars, of which certain parts will be manufactured in the United Arab Republic (Egypt). Finally, plans were completed by Industrial Motors of Belgrade for the erection of a plant designed to assemble 3,000 tractors at a capital cost of £E 3 million.

Development plans and industrial projects^{46/}

As mentioned in the chapter on agriculture, most of the countries of the Middle East have already formulated economic development plans which are either in the implementation stage or are still under consideration. Some of these plans are restricted to the public sector; others are more comprehensive and include projections of investment and income in the private sector on the assumption that government measures will induce action in the private sector which will channel resources in the direction of the officially established production targets.

Table 2-3 shows the share of the industrial sector in planned development expenditures for most of the countries of the Middle East.

It is evident that most of these countries plan to devote large proportions of their investment resources to the development of industry. The share of

45/ United Arab Republic, Exposé of Dr. Abdel Moneim el Kaissouni on the Budget Project for the Fiscal Year July 1961-June 1962 (Cairo, 1961), page 216.

46/ See the section in chapter 1 entitled "Development plans and agricultural projects".

Table 2-3. Planned Development Expenditures and the Share of Industry^{a/}
(Millions national currency units, except as indicated)

Country and period	Total investment	Investment in industry	Industry as percentage of total investment
Cyprus (1962-1966)	62.0	12.5 ^{b/}	20.2
Iran (1962/63-1967/68)	190.2 ^{c/}	55.7 ^{c/d/}	29.3
Iraq (1961/62-1965/66)	556.3 ^{e/}	166.8 ^{e/}	30.0
Israel (1962/63)	522.5 ^{f/}	92.7 ^{g/}	17.7
Jordan (1962-1967)	127.3 ^{h/}	22.1 ^{i/}	17.4
Lebanon (1962-1966)	450.0 ^{j/}	72.0 ^{k/}	16.0
Syria (1960/61-1964/65)	1,720.0 ^{l/}	240.0 ^{m/}	14.0
Turkey (1962)	4,986.0 ^{n/}	1,746.0 ^{o/}	35.0
UAR (Egypt) (1960/61-1964/65) . .	1,696.9 ^{p/}	578.7 ^{q/}	34.1

Source: National sources.

a/ Unless otherwise stated, the figures represent planned public expenditures.

b/ Comprising development bank, telecommunication and electrification.

c/ Billions of rials.

d/ Including electricity.

e/ These figures include an unspecified sum expected to become available through private participation.

f/ Estimates of public development expenditures for 1962/63 appearing in The Jerusalem Post, 28 February 1962.

g/ Comprising industry and crafts, mines and quarries, and electricity.

h/ Planned public and private investment.

i/ Including mining and electricity. This is mostly projected investment in the private sector; in fact, 47.4 per cent of total planned investment is expected to take place in the private sector.

j/ Allocation for construction works authorized under Decree No. 7277 of 7 August 1961.

k/ Electricity.

l/ Planned public expenditure.

m/ Including electricity, mining and petroleum.

n/ Planned public investment. Total private investment in 1962 is estimated to be £T3,450 million.

o/ Including mining and power. The figure represents £T1,486 million of planned public investment in state enterprises and £T260 million of planned current and investment public expenditures in the consolidated budget.

p/ Planned public and private investment.

q/ Including electricity. Also including projected investment in the private sector.

industry in planned public investment^{47/} ranges from a minimum of 14 per cent in Syria ^{48/} to a maximum of 35 per cent in Turkey.

According to the five-year programme of economic development in Cyprus, the Cyprus Government plans to devote £12.5 million ^{49/} (about 20 per cent of total planned public investment) to industry. This sum will be spent entirely on electrification, telecommunication and a development bank.

Power generation and distribution will receive about £10.5 million and will include the extension of the Dhekelia power station, the establishment of a new power station in a suitable locality with an initial capacity of 30 megawatts ^{50/} and the expansion of the distribution network through the construction of about 250 sub-stations. The execution of the five-year electrification plan is expected to provide power to an additional 200 villages.

A sum of £1.4 million has been allocated to telecommunication, with a view to extending the automatic telephone service and the underground cable system, and improving the radio stations.

The Government of Cyprus has also decided to assist in the establishment of a development bank designed to grant credit to industrial and related enterprises. The bank will have a private character, but the Government will participate in its capital to the extent of £600,000.

Iran's third five-year plan, which is scheduled for implementation in late 1962, envisages an investment of Rls 34.5 billion in industry and mining and Rls 21.2 billion in electric power generation and distribution. This represents 29.3 per cent of total planned public investment in the plan period. ^{51/}

The plan puts special emphasis on the expansion of the existing major manufacturing industries - such as cotton and woollen textiles, cement, sugar, vegetable oil and carpets - and the establishment of new industries such as paper, cardboard and synthetic fibres. Also, an amount of Rls 15.2 billion has been allocated for the expansion of the fertilizer, tobacco, tea processing and other industries owned by the Government, as well as the establishment of petro-chemical and steel industries. An additional amount of Rls 3 billion has been allocated for the expansion and development of private and public mines.

^{47/} In the case of Iraq, Jordan and the United Arab Republic (Egypt), planned public and private investment.

^{48/} If the projected development expenditures of the private sector are included, the share of industry becomes 18.7 per cent of total planned investment.

^{49/} See table VI-1 for details.

^{50/} To be raised later to 180 megawatts.

^{51/} See table VI-2 for sectoral allocation and the sources of finance. The plan also anticipates an investment of Rls 30.6 billion by the private sector in industry and mining.

The electricity programme calls for an increase in power capacity of 794 megawatts. This includes the expansion of the Teheran power station and distribution system, the increase and distribution of power in seventeen medium-sized towns and 167 small towns in rural areas, and the installation and distribution of power in the Khuzestan area. Approximately Rls 7.4 billion or 35 per cent of planned expenditure on electricity has been allocated for the expansion of power for industrial use.

According to the recently announced five-year development plan, Iraq contemplates the expenditure of over ID 556 million on development projects, 30 per cent of which is earmarked for projects in the industrial sector (manufacturing, mining, electricity and atomic energy). 52/

In the manufacturing industry, the plan calls for the establishment of factories for the production of light consumer goods and building materials, and for heavy industries. They include sugar and cigarette factories in Sulaimaniyah, a canning factory in Kerbala, a glass factory in Baghdad, two factories for the manufacture of electric bulbs and equipment near Baghdad and a shoe factory in Kufa. Some of these plants are already under construction; others are in the planning stage. Other planned projects include the construction of a steel factory, a plant for the production of agricultural machinery, and two textile factories. Furthermore, the programme calls for the establishment of several technical training centres and other complementary projects.

Plans for mining, geology, oil exploration and the construction of oil and gas pipelines call for the expenditure of over ID 8.8 million. It is estimated that the planned construction of an oil refinery in Basrah will cost ID 10.6 million.

An amount of ID 38.1 million (about 22.8 per cent of the total allocation ~~xx~~ to the industrial sector) has been earmarked for the expansion and development of electric power and the building of sub-stations for distribution. This includes the construction of new hydroelectric power stations at the sites of the Samarra, Dokan and Derbendi-Khan Dams and the building of high voltage transfer stations. Another ID 2.7 million have been allocated to projects related to atomic energy and to the building of an atomic reactor.

The major part of industry in Israel is owned and financed by the private sector. However, the Government owns all electric power generation for sale and participates in the ownership of mines and in the production of fertilizers, chemicals and steel products. 53/

During the fiscal year 1960/61, actual expenditures of the Israeli Government for the development of industry 54/ amounted to £I 99.9 million, representing over 25 per cent of total public development expenditures. In the 1961/62 budget estimates, allocations for industry amounted to £I 96.1 million, representing

52/ See table VI-3 for details.

53/ The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, No. 37, October 1961, page 8.

54/ Comprising industry and crafts, mining and quarrying, and electricity.

about 19 per cent of total public development expenditures. ^{55/} According to the 1962/63 budget bill, the share of industry again dropped, to £I 92.7 million, or about 17.7 per cent. ^{56/}

Although direct government ownership or participation in industry is relatively small, the role of the Israeli Government in the industrial development of the country is highly significant. In the five-year development plan prepared by the Government in 1960, problems of industrialization - in particular those related to the metal, chemical and mining industries - received special attention. In November 1961, the Israeli Government established a Supreme Planning Authority, ^{57/} entrusted it with the responsibility of preparing a comprehensive plan, and delegated to it the task of co-ordination and advice.

A five-year programme for economic development was recently announced by Jordan. ^{58/} This plan calls for a total development expenditure of JD 127.3 million, 52.6 per cent of which is expected to come from the public sector. Investment in industry (including mining and electricity) is expected to reach about JD 22.1 million, 95 per cent of which is estimated to take place within the private sector.

Developments in the manufacturing industry (including potash) are estimated to require a total investment of JD 15.4 million. This will be expended on the expansion of existing industries and the establishment of new ones - such as confectionery, carbonated beverages, ceramics, concrete pipes and blocks, glass, rubber tires, textiles, sugar refining and truck and bus assembly - the economic feasibility of which has either been determined or is under serious consideration.

It has been estimated that the development of mines and quarries will cost over two million dinars. This includes government aid for the expansion of phosphate mining, the production of bromine and other minerals from the Dead Sea, the quarrying of marble and the undertaking of comprehensive geological and mineral surveys.

Planned investment earmarked for the increase in the generating capacity of electricity - from 22.5 megawatts in June 1960 to 47.5 in 1967 - and the expansion of the distribution network is over JD 2.4 million.

The programme also provides for the establishment of training and other institutes and the creation of an Industrial Development Corporation designed to assist industrial enterprises both financially and technically.

^{55/} The slight decline in the total allocation to industry was the result of a large fall in the amount earmarked for electricity.

^{56/} See table VI-4 for details.

^{57/} Council for Middle East Affairs, Inc., Middle East Affairs (New York), March 1962, page 82.

^{58/} See table VI-5 for major categories of investment and sources of finance.

Lebanon recently announced a five-year public development programme, authorizing the allocation of LL 450 million, LL 72 million of which is earmarked for electricity. 59/ The plan for electricity aims mainly at the construction of twenty-one major power stations, the extension of electric power to 1,279 villages which at present do not have access to electricity, and the improvement of the distribution system in 304 other villages.

In 1960, Syria announced a five-year plan for economic and social development designed to double national income in ten years or to raise it by 40 per cent in the first five years. 60/ The plan envisaged a total investment of LS 2.7 billion, LS 1.7 billion of which constituted planned public development expenditures. Out of the latter total LS 240 million of public resources were allocated to industrial development, including electricity, mining and petroleum. The private sector was expected to invest LS 269 million, accounting for 52.8 per cent of total planned investment in the industrial sector. Thus, out of a total planned investment (public and private) of LS 509 million, LS 205 million were allocated to the manufacturing industry, LS 241 million to minerals and petroleum and LS 63 million to the development of electric power. 61/

With regard to the manufacturing industry, out of the planned investment of LS 205 million, LS 38 million were allocated to the food processing industries, LS 131 million to the chemical industries (mainly nitrogenous fertilizers, superphosphates and sulphuric acid), and LS 36 million to engineering and "other industries".

In the field of mining and petroleum, out of a total allocation of LS 241 million, LS 30 million were to be expended on the prospecting and development of minerals and LS 211 million on the petroleum industry. The major projects in petroleum were the building of a crude oil pipeline from the Karatchuk oilfield to the coast near Latakia, the construction of a small refinery in Kamishlieh, the building of oil storage tanks, and the addition of gas and mineral oil plants to the Homs refinery.

In the field of electric power generation, the plan envisaged a total investment of LS 63 million designed to increase the thermal capacity from 124 megawatts in fiscal year 1960/61 to 269 megawatts in 1964/65. 62/

Turkey is at present in the process of preparing a five-year development plan. According to the 1962 development programme - designed to facilitate transition into the plan period - the Turkish Government plans to invest LT 4,986 million, LT 1,746 million of which is earmarked for industrial

59/ See table VI-6 for details.

60/ See table VI-8 foot-note 35 in chapter 1.

61/ Although the plan does not provide a breakdown of investment allocations between the public and private sectors for these three groups of industries, it may safely be assumed that the planners originally meant to leave the major portion of developments in the manufacturing industry to the private sector.

62/ Syria, The First Five-Year Plan (in brief), 1960-1965 (Damascus), page 8.

development. ^{63/} This represents 35 per cent of total planned public investment. ^{64/}

In 1960, the United Arab Republic (Egypt) announced a five-year economic and social development plan designed to double national income in ten years or to raise it by 40 per cent in the plan period. The total investment requirements in the plan period were estimated to be about £E 1,697 million (in 1959/60 prices), 34 per cent of which was allocated to the industrial sector. ^{65/}

The manufacturing industry is scheduled to receive £E 386.2 million (about 67 per cent of total investment in the industrial sector), mining and quarrying, £E 53 million and electric power generation £E 139.5 million.

In the manufacturing industry, seventy projects are in the food processing group (mainly sugar, beverages, tobacco and cold storage facilities) with an allocation of £E 31.7 million; seventy-seven projects are in the textile group (cotton, wool, linen and artificial silk yarn and fabrics, as well as jute and jute bags, dyeing and knitting) with an allocation of £E 48.6 million; fifteen projects are in the paper, cardboard and related group with an allocation of £E 20.6 million; seventy projects are in the chemical and pharmaceutical group with an allocation of £E 66.7 million; ten projects are in the petroleum group (mainly petro-chemicals, lubricating oil and the expansion of the oil refineries in Suez and Alexandria) with an allocation of £E 66.2 million; twenty-six projects are in the metallurgical group (mainly steel and steel products) with an allocation of £E 46.9 million; fifteen projects in the vehicle branch (shipbuilding, assembling of passenger cars and trucks, and railway cars and spare parts) with an allocation of £E 39.9 million; and nineteen projects are in the heavy machinery branch (mainly diesel machines, tractors, and spinning and weaving machines) with an allocation of £E 11.9 million. Military factories, the renovation of existing industrial plants and replacement of parts received a further allocation of £E 48.2 million, and £E 5.5 million were allocated to technical training centres designed to meet the manpower requirements of the existing and planned industries.

In the mining industry, there are forty-nine projects with a total allocation of £E 53 million. It is planned to spend this amount on the coal, copper and iron mines and prospection and development of minerals, such as phosphates, zinc, lead, gold and glass sand.

The power generation industry includes sixty-two projects with a total allocation of £E 139.5 million. This expenditure is planned for the construction of several thermal and hydro-power stations, the expansion of existing generating capacity (with special emphasis on that serving industrial centres), the building of sub-stations, and the extension of the distribution network to supply power to eighty-seven towns and villages not at present served with electricity.

^{63/} The latter figure includes current public expenditures, as the investment component could not be disaggregated.

^{64/} See table VI-9 for estimated public and private investment expenditures for 1959-1962.

^{65/} The investment figures presumably include projected investment by the private sector. See table VI-10 for details.

CHAPTER 3

PETROLEUM

Crude oil reserves and production

As of January 1962, proven oil reserves in the Middle East were estimated at roughly 25.2 billion tons, constituting 61 per cent of total world reserves. Reserves of the four major oil producing countries of the region - Iran, Iraq, Kuwait and Saudi Arabia - are estimated at 23.4 billion tons, or 93 per cent of the Middle East total. Kuwait's reserves alone account for 20 per cent of the world total, followed by Saudi Arabia with 16.8 per cent, Iran with 11.3 per cent and Iraq with 8.6 per cent. 1/ Oil exploration and drilling are at present under way and the prospects of strikes in various parts of the area will undoubtedly cause an upward revision in the above estimates.

The Middle East oil industry has continued to expand in recent years. Production of crude oil increased from 215 million tons in 1958 to 281 million tons in 1961, a 31 per cent rise in the three-year period. The annual rate of increase, however, varied considerably, averaging 7.7 per cent in 1959, 14.5 per cent in 1960 and 6 per cent in 1961. Meanwhile, world production of crude oil has continued to expand but at a slower rate than that of the Middle East. It actually rose from 910 million tons in 1958 to 1,119 million tons in 1961 - an increase of 23 per cent. 2/

The Middle East continued to maintain its position as the second largest crude oil producing area in the world. In 1958 and 1959, the region's share of total world production was a stable 23.6 per cent. The higher rate of increase of crude oil production in the Middle East, as compared to that of the world, raised its share to 25.1 per cent in 1960 and to 25.2 per cent in 1961.

The indices of crude oil production for individual countries are presented in table 3-1. Notwithstanding a minor decline in production in 1959 in Kuwait, Qatar and the United Arab Republic (Egypt), the area as a whole registered higher output for that year. In 1960 and 1961, however, production increased substantially in all the countries of the region except Qatar, which maintained its 1958 production level in 1960 and raised it by two percentage points in 1961.

As tables 3-1 and III-5 clearly show, the rate of growth in crude oil production varied substantially from country to country and from year to year. However, the four major producing countries in the area, namely, Kuwait, Saudi Arabia, Iran and Iraq, maintained their share of total oil output at approximately 92 per cent. They also maintained their respective positions in total production, with Kuwait leading and Saudi Arabia, Iran and Iraq following in that order.

1/ For further details, see table III-1.

2/ For details, see table III-6.

Table 3-1. Indices of Crude Oil Production, 1959-1961
(1958 = 100)

Country	1958 (thousands of tons)	1959	1960	1961
Bahrain	2,034	111	111	111
Iran	40,816	113	128	140
Iraq	35,670	117	133	137
Israel	88	143	144	152
Kuwait	70,217	99	117	118
Neutral Zone	4,311	144	169	195
Qatar	8,222	97	100	102
Saudi Arabia	50,131	108	124	138
Turkey	329	113	110	126
UAR (Egypt)	3,184	99	103	116
Middle East total	215,002	108	123	131
World total	910,300	107	115	123
Middle East total as percentage of world total ...	23.6	23.6	25.1	25.2

Source: See table III-5 for details.

Kuwait's crude oil production in 1959 showed a slight decline, to 69.5 million tons, from 70.2 million tons in 1958. In 1960, however, it rose considerably, to 81.9 million tons, and in 1961 production stood at 82.7 million tons. The observed increase was in part due to the expansion of the Raudhatain field in the north and the 1959 discovery of a new field at Minagish which came into operation in 1960.

Production of crude oil in Saudi Arabia continued to increase steadily. It rose from 50 million tons in 1958 to 69 million tons in 1961. The sharp increases registered in 1960 and 1961 were in part the result of putting the Khursaniya field into operation in 1960 and expanding production from the offshore field of Safaniya.

Iran's crude oil production continued to increase steadily, rising from 40.8 million tons in 1958 to 57.2 million tons in 1961. This rise was mainly the result of increased production activity in the six fields operated within the Consortium Area as well as of some expanded operation outside the Area.

Oil production in Iraq showed substantial increases in 1959 and 1960 but the rate of growth declined sharply in 1961. In the period 1958-1961, production rose by 37 per cent, from 35.7 million tons in 1958 to 48.8 million tons in 1961; it increased by 6 million tons in 1959 and by 5.8 million tons in 1960 but only rose 1.3 million tons in 1961.

With the exception of the Neutral Zone - an area which showed a remarkable increase, from 4.3 million tons in 1958 to 8.4 million tons in 1961 - the remaining oil producing countries of the region registered only moderate increases in output. Bahrain's production rose by 11 per cent in 1959 but maintained the 1959 production level through 1961. In Israel, although the 1961 output showed a 52 per cent increase over the 1958 level, the total quantity involved in 1961 was only 134 thousand tons. Qatar's production declined slightly in 1959 and registered a 2 per cent increase in 1961, as compared to the 1958 production level. Turkey's crude oil production was 329 thousand tons in 1958 and 415 thousand tons in 1961. Oil production in the United Arab Republic (Egypt) declined slightly in 1959, but recovered in 1960 and registered a 16 per cent rise in 1961 over the 1958 level.

According to recent reports, crude oil in commercial quantities has been discovered in the Abou Dhabi Sheikhdom of the Trucial Coast, and oil production is expected to start soon as the Umm Shaif field.

Crude oil exports

Total crude oil exports of the countries of the region increased substantially in the period under review, rising from 176.4 million tons in 1958 to 189.1 in 1959 and 216.0 million in 1960. These figures represent 82.0, 81.7 and 81.5 per cent of the total oil production of the region and 55.7, 55.8 and 56.6 per cent of total world oil exports, respectively. Thus, the Middle East continued to be the world's largest exporter of crude oil.

The percentage distribution of Middle East crude oil exports, by major importing areas, is shown in table 3-2.

Table 3-2. Distribution of Middle East Crude Oil Exports,
by Major Importing Areas, 1958-1960
(Percentage)

Importing area	1958	1959	1960
Western Europe	62.3	63.3	62.5
Far East	10.4	11.9	13.4
North America	12.3	11.3	10.6
Middle East	7.8	7.4	7.5
Oceania	3.6	3.4	3.5
Other America	2.3	1.8	1.3
Africa and other importing areas ...	1.3	0.9	1.2
Total	100.0	100.0	100.0

Source: Based on data in table III-10.

Western Europe continued to occupy a leading position as importer of Middle East crude oil. Until 1958, North America ^{3/} was the second largest importer of Middle East oil. ^{4/} However, as a result of increased Japanese imports and the imposition of import controls on oil in the United States, the Far East surpassed North America and became the second major importer in both 1959 and 1960.

Intra-regional trade in crude oil continued to account for about 8 per cent of total exports, the bulk going to Bahrain and Aden for refining. Exports to other areas remained relatively small and showed little variation from year to year.

^{3/} Comprising the United States and Canada.

^{4/} Except for 1957, when imports of this area declined because of the Suez Canal crisis.

The changes in crude oil exports of the major oil producing countries are shown in table 3-3.

Table 3-3. Indices of Crude Oil Exports, 1959 and 1960
(1958 = 100)

Exporting country	1958 (thousands of tons)	1959	1960
Iran	24,200	119	138
Iraq	33,800	116	134
Kuwait ^{a/}	67,300	99	116
Qatar	8,250	97	99
Saudi Arabia	41,740	109	121
Middle East total ^{b/}	176,400	107	122

Source: See table III-10 for details.

a/ Including exports of the Neutral Zone.

b/ Including small quantities from the United Arab Republic (Egypt).

Most of the oil producing countries of the region recorded substantial increases in their oil exports, the range varying from 38 per cent in two years in Iran to 16 per cent in Kuwait; Qatar was the only exception, registering a very minor reduction in exports. It is important to note, however, that Kuwait's oil exports, inclusive of those of the Neutral Zone, continued to remain the highest in the area, averaging about 36.5 per cent of total exports. Saudi Arabia was next with 23.7 per cent, Iraq with 20.3 per cent, Iran with 14.8 per cent and Qatar with 4.2 per cent.

Oil refining

With the construction of new refineries and the expansion of existing facilities, the oil refining capacity of the Middle East increased steadily throughout the period, reaching 71 and 73 million tons of crude input per year in 1960 and 1961, respectively. ^{5/} Consequently, output of refined products

^{5/} World Petroleum Report, 1961 and 1962 (Mona Palmer Publishing Company, New York. The original figures for 1960 and 1961 were 1.46 and 1.50 million barrels per day, respectively, and were converted into tons at the rate of 7.5 barrels per ton.

increased substantially, rising from 48.2 million tons in 1958 to 62.1 million tons in 1960. Despite these increases, Middle East refining capacity represented less than 6 per cent of world capacity in 1961 and the region's output of refined products accounted for only about 7.8 per cent of world output in 1960. The provisional output figures for the first nine months of 1961 show a small decline in the latter ratio to 7.4 per cent.

The indices of output of refined oil products for 1959 and 1960 are shown in table 3-4.

Table 3-4. Indices of Output of Refined Oil Products, 1959-1960
(1958 = 100)

Country	1958 (thousands of tons)	1959	1960
Aden	3,652	109	111
Bahrain	9,065	98	110
Iran	14,454	102	119
Iraq	1,660	102	124
Israel	1,110	107	118
Kuwait	5,907	130	162
Lebanon	698	100	98
Neutral Zone	468	309	330
Qatar	20	125	140
Saudi Arabia	7,854	105	135
Syria	247 ^{a/}	100	281
Turkey	259	112	108
UAR (Egypt)	3,018	104	132
Middle East total	48,165	108	129
World total	690,100	107	115

Source: See table III-7 for more details.

a/ 1959 output.

With the exception of Bahrain in 1959 and of Lebanon in 1960 - both of which showed a slight decline in output - considerable increases were registered in the region. Iran, Saudi Arabia, Kuwait and Bahrain continued to be the largest producers of refined oil in the Middle East, accounting for more than 75 per cent of total output.

Iran's output, which was 14.5 million tons in 1958, rose moderately in 1959, but increased substantially to 17.2 million tons in 1960. Saudi Arabia's output of 7.9 million tons in 1958 rose to 8.2 million tons in 1959 and increased sharply to 10.7 million tons in 1960. Kuwait's output of 5.9 million tons rose in 1958 to 9.6 million tons in 1960.

Most of the remaining medium and small producers of refined oil experienced increases in varying degrees. Taking 1958 as a base, 1960 production in Aden and the United Arab Republic (Egypt) rose by 11 per cent and 32 per cent, respectively. The rise in output for the same period was 24 per cent in Iraq and 18 per cent in Israel, and the Neutral Zone trebled its production. While Turkey's output did not register significant changes, the completion of a new 3.2 million-ton-capacity refinery in Mersin will undoubtedly raise production substantially in the future. Syria entered the refining field in 1959, when the Homs refinery was completed, and raised its production from 247,000 tons in 1959 to 695,000 tons in 1960. The provisional figures for the first nine months of 1961 are indicative of further increases. Jordan started production at the Zarqa refinery in 1961 and registered an output of 133,000 tons in the first nine months.

The Middle East countries differed considerably in their positions regarding exports and imports of refined oil products. Aden, Bahrain, Iran, Kuwait, the Neutral Zone and Saudi Arabia were large exporters of refined products, while Cyprus, Israel, Jordan, Syria, Turkey and the United Arab Republic (Egypt) were importers of refined products. Iraq and Qatar were almost self-sufficient, except for certain types of products which were imported in small quantities. The net exports of refined oil products of the region increased substantially, rising from 23.71 million tons in 1958 to 30.24 million tons in 1960. ^{6/} In addition to exports, bunker oil supplied by the Middle East to ships and tankers increased from 10.63 million tons in 1958 to 12.46 million tons in 1960.

As a result of the recent expansion of refining facilities and the increase in the output of refined products of the region, exports ^{7/} of these products (including exports to the region) increased by about 18 per cent from 1959 to 1960, rising from 31.0 to 36.5 million tons. In the meantime, imports of the region of these products declined by about 6 per cent, from 6.3 million tons in 1959 to 5.9 million tons in 1960. ^{8/}

Iran continued to be the largest exporter of refined oil products in the region, accounting for about 34 per cent of the total exports in 1960. Bahrain ranked second, with about 24 per cent of the total. Its refining capacity exceeds by far its production of crude oil, leading to large imports of crude oil annually from Saudi Arabia. Saudi Arabia was the third largest exporter of refined products, accounting for about 21 per cent of the area's total exports

^{6/} For details, see table III-8.

^{7/} Including re-exports.

^{8/} United States Department of the Interior, Bureau of Mines, Mineral Industry Surveys, WPS No. 142, 25 July 1960 and WPS No. 156, 12 July 1961 (Washington, D.C.). The original figures were in barrels and were converted into tons at the rate of 7.5 barrels per ton.

in 1960, followed by Kuwait, with 12 per cent in 1960. The fifth exporter of refined products in 1960 was Aden, with approximately 6 per cent of the total. In addition to being a refining centre - importing all the necessary crude for refining - Aden accounted for 28 per cent of the Middle East's imports of refined products in 1960, mostly residual fuel oil. Aden remained the largest supplier of bunker oil in the area since 1958.

Despite recent increases in refined oil production in Israel, Turkey and the United Arab Republic (Egypt), the net imports of refined products by these countries remained substantial in 1960. Israel's net imports were about 530,000 tons, while those of Turkey and the United Arab Republic (Egypt) were 1.2 million tons each. Imports of Syria and Jordan were on the decline due to the recent opening of new refineries, which are expected to provide the local markets with most of their requirements of refined products.

Consumption of refined oil products in the Middle East also increased considerably in this period, rising from 15.26 million tons in 1958 to 19.65 million tons in 1960. ^{9/} Turkey and Cyprus were the only countries in the region which experienced a reduction in the consumption of refined oil products in 1959. Kuwait, on the other hand, recorded a phenomenal rise in consumption, from 510,000 tons in 1958 to 1.35 million tons in 1960, mainly due to the expansion in its refining capacity. The region as a whole, however, registered a 29 per cent rise in consumption between 1958 and 1960.

Total consumption of refined oil products in the Middle East also rose relatively to total energy consumption in the area. While consumption of refined oil products represented 78.3 per cent of total energy consumed in 1958, it accounted for 82.6 per cent in 1960. ^{10/} It is also interesting to note that per capita consumption of total energy for the region rose by 16 per cent between 1958 and 1960.

Oil revenues, prices and investment

The oil producing countries of the Middle East derive substantial revenues from oil in the form of direct payments by petroleum companies to Governments. These payments are determined by the terms of the concessions, the volume of crude output and the prices of crude oil. The rate of increase in crude output more than compensated for the fall in crude prices in this period and there was, in general, a rise in revenues. These direct payments of oil companies to the Governments of the oil producing countries (exclusive of settlement of previous claims and bonuses) were \$1,196 million in 1958 and rose to approximately \$1,374 million in 1960.

^{9/} United Nations, World Energy Supplies, 1957-1960 (Sales No.: 62.XVII.6). Reference is made in the source to "apparent inland" consumption and presumably includes consumption in refineries.

^{10/} Details on total energy consumption are found in table III-9. A ratio of 1.5 was used for the conversion of refined oil products to coal equivalent.

Except for Qatar, where oil revenues declined slightly in 1959, direct payments to all large producing countries showed increases. In 1960, Qatar's oil revenues continued to be below the 1958 level, but those of all other countries rose substantially, except in Bahrain where the revenues maintained their 1959 level.

The recent changes in the direct payments of revenues to the major oil producing countries of the Middle East are shown in table 3-5.

Table 3-5. Indices of Direct Payments of Petroleum Companies to Governments ^{a/}
(1958 = 100)

Country	1958 (millions of dollars)	1959	1960
Bahrain	12	108	108
Iran	247	106	115
Iraq	224	108	119
Kuwait ^{b/}	354	116	116
Qatar	57	93	95
Saudi Arabia.....	302	101	115
Total	1,196	108	115

Source: See table III-12 for details.

^{a/} Exclusive of settlement of previous claims, and bonuses.

^{b/} Including revenues of the Neutral Zone.

A comparison of tables 3-1 and 3-5 shows that, while total crude oil production of Iran, Iraq, Kuwait, Saudi Arabia, Bahrain and Qatar in 1960 was 23 per cent above the 1958 level, total oil revenue for the same countries - exclusive of settlement of previous claims and bonuses - was 15 per cent higher than in 1958. The slower rate of increase in oil revenues is a reflection of the fall in posted prices of crude oil by 7 to 10 per cent in February 1959 and a further price reduction of from 2 to 5 per cent in August 1960. ^{11/}

Other countries of the Middle East, namely Jordan, Lebanon, Syria and the United Arab Republic (Egypt), received revenues in the form of oil transit fees. ^{12/} Payments by the Trans-Arabian Pipeline Company (Tapline) are made to Jordan, Lebanon and Syria for carrying Saudi Arabian oil through pipelines to

^{11/} Details on price changes are given in table III-11.

^{12/} For details, see table III-13.

Sidon. Lebanon and Syria receive oil transit fees also from the Iraq Petroleum Company (IPC) for carrying Iraqi oil through its pipelines to Tripoli and Banias. The United Arab Republic (Egypt) derives substantial revenues from oil transport through the Suez Canal.

Jordan's receipts from oil transport averaged about one million dollars a year for the past few years. These fees, however, have been revised in a recent agreement concluded between the Government of Jordan and Tapline. The revised fees, which were made effective in November 1961, are expected to result in a rise in the annual dues to about \$4 million a year. In addition, an amount of \$10 million was paid by Tapline in settlement of previous claims.

Lebanon's oil transport revenue, which was \$1.4 million in 1958, rose to \$4.1 million in 1961. In 1959 and 1960, the payments were about \$21 million, of which approximately \$16.3 million was paid by the IPC in settlement of previous claims. Syria's receipts from oil transit also increased sharply from \$15.5 million in 1958 to \$25.6 million in 1961.

Negotiations were recently concluded between the Syrian Government and Tapline and revised fees promising higher transit revenue will come into effect when the agreement has been ratified by the Syrian Parliament.

In the United Arab Republic (Egypt), revenue from the transport of oil through the Suez Canal increased from \$84.1 million in 1958 to \$102 million in 1961. The sharp rise in revenue to \$101 million in 1960 resulted from the increase in the north-bound traffic of oil transport arising from the expansion of exports of crude oil from the Persian Gulf to the countries west of the Suez Canal, and also from the decline in crude carried through the Trans-Arabian pipelines as a consequence of the low level of tanker freights. 13/

The contribution of the oil industry to the economies of the Middle East goes beyond the direct payments received by the Governments of the area in the form of royalties, taxes and transit dues. The 1948-1958 operating and capital expenditures of the petroleum companies in the Middle East exceeded \$3,855 million, 42 per cent of which represented wages and salaries, payments to local contractors and purchases of local supplies. 14/ Expenditures in the oil industry, however, were not made exclusively by the oil companies. Governments of the Middle East countries, particularly in recent years, have been participating in the development of the various aspects of the oil industry. These activities have consisted of exploring, laying pipelines, acquiring tankers, refining and marketing.

In the past decade, the oil industry in the Middle East has witnessed a large expansion, necessitating substantial development expenditures. As shown in table III-2, the carrying value of gross fixed assets as of 31 December 1960 was \$4,175 million, of which \$1,800 million represented gross fixed assets utilized by the industry in the production of crude oil and natural gas. Capital expenditures for the period 1951-1960 were \$3,040 million and the cost of expanding crude production in the same period amounted to \$1,925 million. It may

13/ Petroleum Press Service (London), April 1961.

14/ See table III-3.

be noted that the average unit cost of maintaining and expanding crude production in the Middle East is much lower than that in other major producing areas. It is estimated that the average cost per barrel of crude in the Middle East in the past decade was 16 cents, while the average cost per barrel in Venezuela was 51 cents, in the Far East, 82 cents, in the United States, \$1.73 and in Canada, \$3.10.

Recent exploration and refining developments

Exploration and drilling operations continued throughout the area with varying degrees of success. In Iran, exploration and drilling were carried to new areas, such as Gorgan, Bandar Abbas and the Zagros Mountains. In 1960 drilling in well No. 59 of the Agha Jari field resulted in production at a rate of 30,000 barrels per day. Further exploratory drilling by the National Iranian Oil Company (NIOC) was carried out in the Alborz and Sarajeh fields in the Qum area. In addition to the gas reservoir known to be in the Sarajeh field, drilling activities there seem to indicate the presence of an extensive oil reservoir. The Consortium continued its exploration and drilling in the Ahwaz field. Following the discovery of Ahwaz well No. 6 - which is at present producing 6,800 barrels per day - Ahwaz well No. 8 came into production in mid-1961 at the rate of 26,000 barrels per day.

The Irano-Italian Oil Company (SIRIP) and the Iran-Pan American Company (IPAC) also maintained their exploration and drilling operations in their respective offshore concession areas. SIRIP's offshore well No. 1 in Asmari recorded production of 16,000 barrels per day, and IPAC's well, Darius No. 1, produced 35,000 barrels per day.

The oil companies operating in Iraq kept up their exploration and drilling until the spring of 1961, but no significant discovery was recorded. The extensive oil activities in Israel continued, but the only relatively important strike was in well No. 3 in the Negba oilfield in 1960, with a rate of sixty to seventy barrels per day. Other explorations resulted in the extension of the Zohar gas field where additional gas bearing zones were found at deeper levels than those already known. Exploration and drilling activities in the Raudhatain and Minagish fields continued in Kuwait, and were extended to Mutriba, Mityaha and the offshore area. Extensive exploration and drilling activities by the Arabian Oil Company were also carried on in the Neutral Zone, particularly in the offshore area and Khafji, where two new wells with a potential production of 8,400 barrels a day each were discovered, in addition to six other producing wells.

In Qatar, an important discovery in the offshore area of a well with 5,000 barrels a day was confirmed in mid-1961, while drilling continued in the Dukhan field on the peninsula. In Saudi Arabia, drilling went on in the producing fields of Khurais, Ghawar and Abu Hadriya on the mainland and in the offshore fields of Manifa and Safaniya. Exploration was also extended to the Rub' al-Khali (Empty Quarter) area.

Exploration and drilling activities were also continued in the Karatchuk field in Syria, where well No. 8 surpassed earlier discoveries with production of about 4,000 barrels a day. More recently, however, the discovery of the Suwaida field in the south of Karatchur is promising. Production in two wells ranged

between 300 and 600 barrels a day, but a third well reached the level of 3,300 barrels a day. It is anticipated that further development of these fields may put Syria in the ranks of the oil producing countries of the Middle East.

Activities in exploration and drilling continued in Turkey. Early discoveries in certain areas were disappointing and the wells were abandoned. In other areas, however, some promising results were obtained, particularly in the Kayakoy field in the vicinity of Diyarbakir. Two wells were put into production at about 300 and 600 barrels a day, respectively. Other discoveries were confirmed in the Magrip area north of Garzan field, where a well of 600 barrels a day was set up. Another well with a similar capacity was drilled in Raman field. Further drilling in the Kurtalan area resulted in a producing well with a capacity of 400 barrels per day.

In the United Arab Republic (Egypt), oil was found early in 1961 in the first well drilled offshore in the Belayim field in the Gulf of Suez. Its initial yield was 1,890 barrels a day. The discovery encouraged further exploration and drilling which are at present under way.

In addition to the above-mentioned countries, exploration and drilling took place in the Trucial Coast. In Muscat and Oman, no oil of commercial quantities has yet been found, but in Abu Dhabi, the field of Umm Shaif, which was discovered in 1959, was expected to reach its first stage of production at 30,000 barrels a day. Further explorations are under way in the offshore area of Murban, where potential oil producing wells have been drilled.

Refining was the other phase of the Middle East oil industry in which a number of developments took place in the recent past. Several new refineries were built and a number of the existing ones were expanded. In Jordan, the refinery at Zarqa was completed in 1961, with a total capacity of 6,800 barrels a day. The Homs refinery in Syria was completed in 1959 and the General Petroleum Authority is planning the extension of its present capacity of 20,000 barrels a day by an additional 4,000 barrels a day. The oil refining capacity of Turkey was greatly increased by the completion of two new refineries, the first at Mersin in the south with a capacity of 65,000 barrels a day and a smaller one in Izmit with a capacity of 20,000 barrels per day.

Works for the expansion of existing refineries were recently completed, or will be completed shortly, in different areas. The Bahrain Petroleum Company is adding a new unit to its refinery in Bahrain. In Iran, a unit for the production of high octane is being added to the Abadan refinery. The capacity of the Daura refinery near Baghdad was increased from 1.8 million tons a year to a potential 2.2 million tons and the reopening of the Qaiyarah refinery near Mosul has been announced. Israel is expanding the capacity of the Haifa refinery as well as building a new small refinery in the port of Elath with a capacity of 1,000 barrels per day. The American Independent Oil Company (Aminoil) is increasing the capacity of its refinery in Mina Abdulla in Kuwait. Further expansion of refining capacity has been planned in many areas of the Middle East.

In this connexion, mention should be made of the countries that have shown keen interest in the establishment of petro-chemical and other industries related to oil. In Iran, a large fertilizer plant is under construction near Shiraz and there are plans for the construction of polyvinyl and carbon black plants.

Current plants in Iraq call for the establishment of a major sulphur-recovery plant at Kirkuk, designed to produce 110,000 tons of sulphuric acid and 65,000 tons of sulphur annually, as well as of a nitrogeous fertilizer plant at Basrah. Israel is already producing liquefied petroleum gas and a new plant for the production of polyethylene, as a first stage for a petro-chemical industry, is under construction at Haifa. In Kuwait, a plant for the production of liquefied petroleum gas was completed in 1961 and exports of bottled liquefied petroleum gas are planned for 1962. In addition, a company was formed for the development of the first petro-chemical and fertilizer complex in Kuwait. In Saudi Arabia, a plant for the production of 4,000 barrels a day of refrigerated liquefied petroleum gas - the first of its kind in the Middle East - was completed in 1961 and the first shipment was made from Ras Tanura last November. In the United Arab Republic (Egypt), a plant for the carbonization of heavy oil is at present under construction; it will serve as a first stage for the establishment of a petro-chemical industry.

Other current developments

OPEC conferences and resolutions

An event of considerable importance for the oil industry was the emergence of the Organization of the Petroleum Exporting Countries (OPEC). The circumstances leading to the establishment of this Organization and the major decisions and resolutions so far adopted by it are summarized below.

The Governments of the oil exporting countries of the Middle East, which experienced losses in their expected revenues from oil exports due to the fall in oil prices in 1959, reacted immediately to the second cut in the posted prices of crude oil in August 1960. Upon the invitation of Iraq, representatives from Iran, Kuwait, Saudi Arabia and Venezuela, and an observer from Qatar, assembled in Baghdad in September 1960 to discuss the new situation arising from the price cut and other matters of common interest. The resolutions adopted by the conference required, among other things, that "Members shall demand that oil companies maintain their prices steady and free from all unnecessary fluctuation. Members shall endeavour by all means available to them to restore present prices to the levels prevailing before the reduction. Members shall ensure that if any new circumstances arise which in the estimation of the oil companies necessitates price modifications, the said companies shall enter into consultations with the member or members affected in order to fully explain the circumstances". 15/ The representatives present in the conference decided further to form a permanent organization, called the Organization of Petroleum Exporting Countries (OPEC), for the purpose of holding regular consultations among its members with a view to co-ordinating and unifying the policies of the members and determining their attitude towards the companies with regard to prices and other matters.

The second meeting of OPEC was held in Caracas, Venezuela, in January 1961. The first action of the five founding members - Iran, Iraq, Kuwait, Saudi Arabia and Venezuela - was to admit Qatar as a full member of the Organization. The

15/ Journal of Commerce (New York), 26 September 1960, pages 1 and 6.

fourteen resolutions adopted in this meeting dealt not with organizational matters, but gave some indication of the direction in which the Organization's early activity will be moving. Appropriations were made by the five founding members to establish headquarters in Geneva. The control of the Organization was entrusted to a Conference, consisting of representatives of all member countries. The conference, which is to meet twice a year, has supreme authority but its resolutions must receive the unanimous agreement of the five founding members.

The immediate and primary aim of the Organization was stated as being the restoration of crude oil prices to the pre-August 1960 level. Reference was made also to other matters of common concern. First, hope was expressed that consultations would take place regarding United States oil import quota, with a view to obtaining preferential treatment for the traditional oil supplying countries. Secondly, "the Conference expressed its sincere hope that, in their discussions with member states, the oil companies will negotiate in a spirit of understanding and secure a quick and acceptable solution". 16/ Another significant outcome of the conference was the emphasis put on comprehensive studies in order to improve the understanding of the oil industry by the oil producing countries.

In the third meeting of the Organization, which was held in Tehran from 28 October to 1 November 1961 and which was not attended by Iraq, the Secretary-General of the Organization reported the establishment of a permanent headquarters in Geneva, and the commissioning of three consulting organizations to undertake studies of the economics of investment in the petroleum industry, of the prevailing level of oil prices and of possible intervention by members in the system of price fixing. 17/ The resolutions adopted in this meeting were later approved by the Government of Iraq.

The Organization met for the fourth time in Geneva from 5 to 8 April 1962, but this meeting was suspended until 4 June 1962. 18/

Arab Petroleum Congress' meetings and resolutions

The Arab Petroleum Congress was organized under the auspices of the Arab League. Upon the invitation of the Oil Committee of the Arab League secretariat, over five hundred delegates and observers - representing the Governments of the Arab countries, the oil companies operating in these countries and observers from other parts of the world - convened in Cairo in April 1959. The basic theme of the Congress was the need for improved participation of the oil producing countries in all phases of the oil industry and for consultation between Governments and oil companies on pricing policies. An equally important consideration was to promote the understanding of the oil business by the Arab countries. For this purpose an extensive oil exhibition was organized and designed to explain the complexity of the oil industry. 19/

16/ Petroleum Press Service, March 1961, page 82.

17/ Petroleum Press Service, December 1961, pages 446 to 447.

18/ Platt's Oilgram News Service (New York), 5 and 10 April 1962.

19/ Petroleum Press Service, May 1959, pages 168 to 170.

The second meeting of the Congress took place from 17 to 22 October 1960 in Beirut. In addition to the representatives from the Arab countries and the oil companies operating in these countries, the Congress was attended by delegates from Brazil, Canada, India, Indonesia, Mexico and Venezuela, as well as by observers from Romania, the Union of Soviet Socialist Republics and Yugoslavia. Members of various diplomatic missions in Beirut also followed the proceedings.

The central theme of the Congress was again the desire of the Arab countries to participate more actively in the affairs of the oil industry and to share fully in the benefits accruing therefrom.

In the wake of the cut in price of crude oil in August 1960, and the subsequent meeting of OPEC, the problem of price fixing was also discussed at the Congress. The Congress disavowed the resort of petroleum companies to the reduction of the prices of crude oil and its products without the consent of the Governments of the oil producing Arab countries, and the discussion reflected the widespread official insistence that the companies consult the Governments before making any changes in prices. In another resolution, the Congress supported the demands of the Arab countries for improvement in the terms of petroleum concessions and expressed the hope that the companies will respond favourably to such demands in order to ensure the continuation of co-operation between them and the Governments in the common interest of the Governments, the companies and the oil consumers. 20/

The third meeting of the Arab Petroleum Congress was held in Alexandria, from 16 to 21 October 1961. It was attended by over 600 delegates, representing Governments, organizations and oil companies from various parts of the world. It was noted, however, that the absence of Iraq and Iran prevented the Congress from being fully representative of the major Middle East producers.

Various aspects of the petroleum industry were discussed at this meeting of the Congress. The topics ranged from legal and technical matters to accounting and future concessions. The Congress called on the Arab States to provide the necessary facilities for the development of an Arab petroleum policy along broad lines, to standardize the existing regulations relating to oil administration, accounting and technology and to study joint Arab oil projects. Direct participation of the Arab Governments in the oil industry was further emphasized in another resolution. It recommended that the Governments increase their efforts to take part in enterprises undertaken by the oil companies in their countries, by participation in the capital and administration of the companies, in order to safeguard their rights and ensure stable relations between the Governments and the companies.

With the emphasis on the importance of oil revenues to the economic stability of various oil producing countries, the issue of oil prices was given due consideration. The Congress declared its support for all measures taken by the Arab Governments to safeguard their oil interests in general and to maintain fair oil prices in particular.

Consideration was also given to technical training, and the Congress urged the Governments of the Arab States and the companies operating in their territories to train groups of technicians and workers, at different levels of skills, and to

20/ Petroleum Press Service, November 1960, pages 400 to 407.

establish an adequate number of technical institutes and vocational training centres for that purpose.

Special attention was given to the gas resources of the Arab countries. The Congress urged the Governments of these countries and the operating oil companies to take the necessary measures for the conservation of gas resources either by more extensive utilization or by reinjection into the reservoirs for future utilization. 21/

Iraq-IPC negotiations

Negotiations between the Government of Iraq and the Iraq Petroleum Company and its associates have been going on, with some interruption, for over three years. The Government demanded the revision of the existing concession agreements to include, among other things, a change in the fifty-fifty arrangement of profit sharing, the participation of the Government in the companies' capital at the rate of 20 per cent, the relinquishment of unexploited areas, and the increased participation of Iraqis in the administration as well as in the operations of the companies. 22/

The negotiations were suspended in April 1961 and resumed in October 1961, but again were suspended shortly thereafter, without an agreement being reached. On 12 December 1961, the Government of Iraq passed Law No. 80, which redefined the concession areas and limited the companies' areas of operations to forty-seven parcels, totalling 1,938 square kilometres, out of the "blanket" concessions covering virtually the entire country.

New concessions and agreements

A significant development was the agreement reached in December 1960 between Kuwait and Shell International Petroleum Company in regard to Kuwait's offshore area. This agreement stipulates the payment to Kuwait of an annual rent of \$2.8 million in the first two years and of \$5.6 million thereafter, until such time as exports begin. An initial bonus of \$19.6 million was paid by Shell International upon signing the concession and another \$19.6 million will be paid at the end of the fourth year or upon reaching a production level of 100,000 barrels per day, whichever comes earlier. The provisions of the agreement also include the payment of four additional bonuses of \$11.2 million each, payable with every increment of 100,000 barrels per day, up to a production level of 500,000 barrels per day. Another new feature in this concessionary agreement is the provision that once oil is discovered, Kuwait will have the option of participating in the company to the extent of 20 per cent, upon payment of its share in exploration costs up to the time of participation, and its share of all development and exploration costs thereafter. It has been reported 23/ that the

21/ Middle East Economic Survey (Beirut), 27 October 1961.

22/ Iraq, Ministry of Oil, The Revolution Government and Oil Negotiations, Popular Culture Series 27 (Baghdad, 1961).

23/ World Petroleum Report, 1961, page 227.

Government of Kuwait plans to turn over its 20 per cent share to the new Kuwait National Oil Company, which is a joint venture (60 per cent government and 40 per cent private) established in 1960.

Another concessionary arrangement was the supplemental agreement between Kuwait and the American Independent Oil Company, in July 1961, with respect to Kuwait's share in the Neutral Zone, revising the 1948 agreement. Under this new arrangement, Kuwait will either receive 57 per cent of Aminoil's realized profits, or 50 per cent of the profits based on posted prices, whichever is higher.

A further development is the concessionary agreement reached by Pan American International with the Sultanates of Quaiti and Kathiri according to which the Sultanates' share of profit will be 55 per cent. The Sultanates are given the option of participating in the operations up to 20 per cent, provided they compensate the Company for its reduced equity by lowering taxes on its remaining equity from 55 per cent to 50 per cent. 24/

Two agreements concerning the transit of oil were recently concluded. The first was between the Jordanian Government and the Trans-Arabian Pipeline Company (Tapline) and was ratified in April 1962. According to the terms of this agreement, oil transit fees were increased to 1.8 cents per barrel per hundred miles of transit, effective 1 November 1961, and, as mentioned earlier, Tapline agreed to pay \$10 million in settlement of all previous claims. 25/ The second was a supplemental agreement between the Syrian Government and Tapline, according to which oil transit fees were raised to 1.423 cents per barrel and Tapline agreed to pay \$10 million in settlement of all previous claims. 26/ This agreement will go into effect upon its ratification by the Syrian Parliament.

24/ F. Rouhani, "International Agreements and Contracts in the Field of Petroleum", Seminar Paper No. 26 prepared for the United Nations Inter-regional Seminar on Techniques of Petroleum Development, New York, 23 January to 21 February 1962 (mimeographed), pages 29 and 32.

25/ Platt's Oilgram News Service, 18 April 1962.

26/ Central Bank of Syria, Research Department, special issue of an internal report, 1 March 1962 (in Arabic).

CHAPTER 4

FOREIGN TRADE AND PAYMENTS

Middle East trade continued to expand during the period 1957 to 1960. Exports (including petroleum) rose from about \$4.3 billion in 1957 to \$5.1 billion in 1960, thus registering an 18.6 per cent increase in three years. Imports increased from about \$3.7 billion in 1957 to \$4.4 billion in 1960, representing an 18.9 per cent rise in three years. ^{1/} The balance of trade was thus in favour of the Middle East to the extent of \$600 million in 1957 and \$700 million in 1960. It is important to note, however, that the value of petroleum exports from the region is estimated to have been \$2.8 billion in 1957 and \$3.6 billion in 1960. ^{2/} When petroleum exports are excluded from the total exports of the Middle East, the balance of trade becomes unfavourable to the extent of \$2.2 billion in 1957 and \$2.9 billion in 1960.

One of the important characteristics of the Middle East countries is their great dependence on foreign trade. The total value of foreign trade (exports and imports of merchandise and non-monetary gold) for certain selected countries ^{3/} formed 41 per cent of the total gross domestic product in 1957, the minimum being 33 per cent in the United Arab Republic (Egypt) ^{4/} and the maximum, 76 per cent in Cyprus. The total value of foreign trade for the same countries in 1960 again represented 41 per cent of total gross domestic product, with minor variations in the percentage relationship for the United Arab Republic (Egypt) and Cyprus, but with greater variations in the remaining countries under discussion.

Looked at differently, it may be observed that, while the total value of exports for these countries increased by 14 per cent between 1957 and 1960 and the total value of imports increased by 21 per cent, the total value of foreign trade increased by 19 per cent, representing a rise equal to the increment in gross domestic product.

The importance of the foreign trade sector in the economies of the Middle East emphasizes the vulnerability of these countries to the fluctuations of international commodity prices, the necessity for an uninterrupted flow of goods in their international trade, and the need for sufficient amounts of foreign exchange being available to finance the import requirements of their development programmes and their rising standards of living.

^{1/} See table IV-3 for country details.

^{2/} The estimated figure for 1961 is close to \$3.7 billion. Data obtained from the Statistical Office of the United Nations.

^{3/} The countries included are Cyprus, Israel, Jordan, Lebanon, Syria and the United Arab Republic (Egypt).

^{4/} Foreign trade as a percentage of gross domestic product at current factor cost in 1956.

Table 4-1 is constructed to focus attention on some of the important regional indices pertaining to foreign trade transactions in the period from 1957 to 1960. 5/

The volume indices of exports and imports rose substantially in this period and stood at 133 and 130, respectively, in 1960 (1957 = 100). However, when petroleum exports are excluded, the annual rate of growth in the volume index of exports is more modest. This is explained by the fact that petroleum exports in this period recorded sharp increases, while non-petroleum exports increased at a slower rate.

While the volume of exports continued to rise, the unit value of exports declined from an index of 100 in 1957 to 91 in 1960. 6/ The unfavourable economic consequences of this price fall were largely mitigated, however, by an almost proportionate decline in import prices in the same period. Consequently, the terms of trade (including petroleum) remained fairly stable throughout this period, showing only a minor decline between 1957 and 1960. 7/

The combined balance of trade (excluding the oil sector) for some selected Middle East countries 8/ shows a deficit of over \$1.1 billion in 1957. This deficit increased to approximately \$1.5 billion in 1960, representing a 29 per cent increase in three years or an annual average rate of increase of about 9 per cent.

The combined deficit in the balance of payments on goods and services (excluding the oil sector) - for the same countries and covering the same years - was approximately the same as that in the balance of trade. This means that the services rendered by these countries to the rest of the world were, with minor combined annual deviations, equal to the services received. More precisely, the index of the combined payments deficit on goods and services (excluding petroleum) in 1960 was 131 (1957 = 100), representing an annual average rate of increase of about 10 per cent. However, when the foreign exchange earnings from the oil sector are included in the combined current account, 9/ the deficit in 1957 falls to \$763 million - as compared to over \$1.1 billion when the oil sector is excluded - resulting in a substantial decline in the combined deficit index in 1958 and a moderate rise in 1959 and 1960. This means that the foreign exchange earnings from the oil sector have contributed in large measure to the financing of the continuously rising volume of imports.

5/ The indices in table 4-1 must be interpreted with reservation as they do not always pertain to the definition of the Middle East as adopted in this report.

6/ This was mainly due to the fall in the prices of petroleum and cotton.

7/ If petroleum exports are excluded, the terms of trade show a gradual deterioration between 1957 and 1959 and only a small improvement in 1960.

8/ The selection was determined by the availability and reliability of data. See note 3 to table 4-1 for the selected countries.

9/ This is mainly with respect to Iran and Iraq, as they are the only two major oil producing countries included in this part of the analysis.

Table 4-1. Middle East: Indices of Foreign Trade and Payments and Official Gold
and Foreign Exchange Holdings, 1958-1960
(1957 = 100)

Item	1957	1958	1959	1960
<u>Exports:</u>				
Quantum	100	111	120	133
Excluding petroleum	100	100	112	121
Unit value	100	99	92	91
Excluding petroleum	100	92	87	90
<u>Imports:</u>				
Quantum	100	111	119	130
Unit value	100	95	92	92
Terms of trade	100	104	100	99
Excluding petroleum	100	96	94	98
(millions of dollars)				
Trade deficit (excluding oil sector)	-1,133	109	118	129
Deficit on goods and services	-763	82	105	111
Excluding oil sector	-1,145	106	122	131
Compensatory finance	798	89	105	115
Official and private transfers	436	109	120	147
Private, official and banking capital and monetary gold	362	64	88	77
Net errors and omissions	-35	230	112	208
Official gold and foreign exchange holdings	1,404	103	96	92

Source: United Nations, Yearbook of International Trade Statistics, 1960, table C; International Monetary Fund, International Financial Statistics (Washington, D.C.), March 1962.

- Notes: 1. Quantum and unit values of exports and imports and the terms of trade have been calculated in the source on the basis of a definition of the Middle East which excludes Turkey and Iran, but which includes Libya, French Somaliland, Ethiopia and the Sudan. The latter four countries are not part of the Middle East region as defined in the present report.
2. The indices for exports, imports and the terms of trade were recalculated in order to convert the 1953 base to 1957.
3. The values for the balance of trade, balance of payments and gold and foreign exchange holdings in 1957 pertain to the following countries: Cyprus, Iran, Iraq, Israel, Jordan, Syria, Turkey and the United Arab Republic (Egypt).

In fact, revenue from the oil sector in Iran and Iraq increased from about \$382 million in 1957 to approximately \$647 million in 1960, and its percentage share in financing the total transactions rose from 33 per cent in 1957 to 43 per cent in 1960. 10/

A study of the combined compensatory finance (inclusive of official and private transfers) of the countries under discussion reveals that official and private transfers constituted an increasing percentage of total means of payments, their share rising from 38 per cent in 1957 to about 43 per cent in 1960. In absolute terms, this represented a rise from \$436 million in 1957 to about \$642 million in 1960, or an annual average rate of increase of over 15 per cent. Private, official and banking capital, on the other hand, declined from \$362 million in 1957 to \$232 million in 1958 and was \$279 million in 1960. 11/ The relative share of this type of finance in the combined means of payments dropped from about 32 per cent in 1957 to over 19 per cent in 1958 and to 19 per cent in 1960. 12/

An examination of the combined official gold and foreign exchange holdings of the countries under discussion showed a slight increase in 1958, 13/ but this was followed by a sharp and consistent decline in 1959 and 1960. The index of these holdings in 1960 was 92 (1957 = 100). It is to be noted that the observed annual changes in these holdings are consistent with the changes in the deficit on current account. 14/

An analysis of the composition of exports from the Middle East (excluding petroleum), 15/ in the period from 1957 to 1960, shows that agricultural products continued to account for an important though falling percentage of the total

10/ Although 1957 cannot be regarded as a normal year for oil exports from the Middle East, the above analysis is not affected by the selection of 1957 as a base year. This is because only two oil producing countries have entered the above discussion and their combined foreign exchange earnings from the oil sector in 1957 were less than those of 1956 by only \$9 million. The loss of oil revenue for Iraq resulting from the Suez Canal crisis was almost equally matched by the increase of oil revenues in Iran.

11/ The figure for 1959 was \$318 million.

12/ The year 1959 was an exception to the falling trend; the relative share of this type of finance then stood at 23 per cent.

13/ This is largely explained by the fact that at the end of 1957 (the base year) the total holdings were about \$140 million less than the 1956 level owing to the loss of foreign exchange holdings of Iraq and the United Arab Republic (Egypt), mainly on account of the Suez Canal crisis.

14/ These changes, however, are not of the same magnitude and direction. This is especially true of 1958 when the index of the deficit on current account fell to 82 (1957 = 100) and the index of gold and foreign exchange holdings rose to 103. This may possibly be explained by the sharp rise in the index of "net errors and omissions", from 100 in 1957 to 230 in 1958.

15/ Covering Cyprus, Iran, Iraq, Israel, Jordan, Lebanon, Syria, Turkey and the United Arab Republic (Egypt). See table IV-1 for details.

value of exports. The value of exported agricultural products formed about 71 per cent of the total value of exports in 1957, but only 63 per cent in 1960. 16/

Mineral products (excluding petroleum) ranked as the second most important export item for the Middle East region in the period under review. 17/ The annual average percentage of the value of mineral product exports constituted about 4.5 per cent of the total value of exports. When exports of mining and agricultural products are taken together, they produce an annual average of about 72 per cent of the total value of exports.

The lack of uniformity in the country classification of imports makes it impossible to draw a regional conclusion with respect to their composition. It can be said, however, that imports of capital goods in some selected countries 18/ formed a stable annual average of 29 per cent of the total value of imports during the period. Imports of food items 19/ showed a small relative decline, from 21 per cent in 1957 to 19 per cent in 1960. Imports of manufactured goods 20/ continued to increase, both absolutely and relatively, the percentage relationship rising from 46 per cent in 1957 to 54 per cent in 1960. Imports of consumer goods 21/ remained stable at about 22 per cent of the total value of imports throughout this period. Imports of raw materials (including fuels) 22/ showed a persistent relative decline, from 38 per cent in 1957 to 34 per cent in 1960.

A study of the geographic pattern of trade (including oil) shows that, while in 1957 over 10 per cent of Middle East exports and over 14 per cent of imports (in value) were transacted within the region, the percentage relationships of the value of the total transactions in 1960 were 8.5 and 11.9 respectively. The total value of exports to the United States, the United Kingdom and continental western Europe formed a relatively stable average of 54 per cent between 1957 and 1960, but the share of imports from these countries showed a modest increase, from over 60 per cent in 1957 to over 64 per cent

16/ This was mainly because the serious drought conditions which had prevailed since 1958 had substantially reduced the exportable surpluses of the region. The fall in the international prices of some agricultural products was also a contributing factor.

17/ Cyprus, Iran and Israel were the exceptions. In Cyprus, mining products formed an annual average of 50 per cent of the value of exports. Iran's exports of manufactured products (mainly Persian rugs) constituted an annual average of 20 per cent of the value of its total exports. In Israel, manufactured products comprised an annual average of 65 per cent of the value of exports.

18/ Cyprus, Iraq, Israel, Lebanon, Turkey and the United Arab Republic (Egypt).

19/ Covering Cyprus, Iran, Iraq, Jordan, Lebanon, Syria and the United Arab Republic (Egypt).

20/ Covering Cyprus, Iran, Jordan, Syria and the United Arab Republic (Egypt).

21/ Covering Iraq, Israel, Lebanon and Turkey.

22/ Covering Israel, Jordan, Lebanon, Syria, Turkey and the United Arab Republic (Egypt).

in 1960. 23/ The total value of exports to the Soviet Union and other eastern European countries showed a persistent decline; from 7 per cent in 1957 to 5.8 per cent in 1960. The total value of imports from the same countries first rose to 9.4 per cent in 1958 (7.4 per cent in 1957), then declined to 7.4 per cent in 1959 and to 6.9 per cent in 1960. The total value of exports to and imports from "other countries" did not show any significant changes in this period; the average annual percentage was 31 for exports and 17 for imports. 24/

Balance of trade and payments

A study of the export and import positions of nine Middle East countries in the period from 1957 to 1960 shows unfavourable trade balances, with considerable variations in the magnitude of the deficits and the annual rates of change in the export and import components. While large development programmes, unfortunate weather conditions and unfavourable terms of trade were, in most cases, important causes of these adverse trade developments, the variations in these magnitudes and the means of payment utilized to cover the deficits can only be properly understood by studying the actual circumstances surrounding individual countries.

The values and indices of exports, imports and the balances of trade for nine countries are presented in table 4-2.

The indices for the regional totals 25/ show that exports and imports in 1960 were 15 and 22 per cent above the 1957 level, respectively, and the deficit in the trade balance was 29 per cent above the 1957 level.

Cyprus experienced a sharp decline in the value of exports in 1958, but this was followed by a moderate rise in 1959 and 1960. The index of the value of imports dropped sharply to 83 in 1958 (1957 = 100), rose to 93 in 1959 and

23/ A major shift in trade pattern occurred in 1956 in the case of the United Arab Republic (Egypt). Its trade with the Soviet Union and other eastern European countries for the period 1955-1958, presented as a percentage of the value of total exports and imports, was as follows:

	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>
Exports	19.4	28.1	38.0	40.0
Imports	6.4	12.2	23.0	32.0

24/ See table IV-3 for details.

25/ Covering the nine countries for which the data are presented in table 4-2. The regional values and indices for this period were (1957 = 100):

	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>
	(millions of dollars)			
Exports	1,398.6	89	104	115
Imports	2,727.7	98	110	122
Balance	-1,329.1	108	116	129

Table 4-2. Middle East: Indices of Exports, Imports and the Balance of Trade, Selected Countries, 1958-1960

(1957 = 100)

Country and item	1957 (millions of dollars)	1958	1959	1960
<u>Cyprus:</u>				
Exports	53.8	94	101	103
Imports	110.0	81	93	85
Balance	-56.2	68	86	68
<u>Iran: a/</u>				
Exports	131.6	96	101	112
Imports	388.6	133	138	142
Balance	-257.0	152	158	157
<u>Iraq: a/</u>				
Exports	39.3	112	102	76
Imports	331.7	86	87	108
Balance	-292.4	82	85	113
<u>Israel:</u>				
Exports	140.8	99	125	149
Imports	432.0	86	88	104
Balance	-291.2	80	70	82
<u>Jordan:</u>				
Exports	15.3	63	61	71
Imports	83.3	114	135	139
Balance	-68.0	126	152	154
<u>Lebanon:</u>				
Exports	50.6	101	175	219
Imports	235.7	97	121	152
Balance	-185.1	96	106	133
<u>Syria:</u>				
Exports	162.5	79	74	84
Imports	179.4	112	104	137
Balance	-16.9	432	390	646
<u>Turkey:</u>				
Exports	330.8	75	107	102
Imports	345.8	82	122	122
Balance	-15.0	243	443	570
<u>UAR (Egypt):</u>				
Exports	473.9	98	100	122
Imports	621.2	99	110	120
Balance	-147.3	102	141	112

Source: International Monetary Fund, International Financial Statistics, March 1962; Balance of Payments Yearbook, vol. 13 (Washington, D.C.); Cyprus: Economic Review, 1960 (Nicosia, 1961); Lebanon: Khalil Salem, "Balance of Payments of Lebanon, 1960", Al-Raid Al-Arabi (Beirut), May 1962 (in Arabic).

a/ Excluding the oil sector.

stood at 85 in 1960. Thus, the deficit in the balance of trade showed a considerable improvement in 1958 and 1960, and only a relatively slight deterioration in 1959.

The deficit on goods and services in 1957 was about \$44 million and showed erratic fluctuations in the succeeding years. These deficits were covered mostly by transfers from the United Kingdom for base and troop expenditures and local purchases, 26/ emigrant remittances, and foreign exchange earnings from tourism. In fact, in 1958, Cyprus had about \$1.1 million of surplus on current account.

Cyprus' foreign trade policy is, to a large extent, determined by its position within the British Commonwealth. In recent years, 37 per cent of Cyprus' exports, 27/ in value, were sold in Commonwealth countries, largely because of tariff reductions averaging over 14 per cent of value, which were also reciprocated by Cyprus. Another 50 per cent of Cyprus' exports, in value - mostly minerals - went to the OEEC countries. 28/

Following the political settlement of February 1959, the United Kingdom gave Cyprus a grant of about \$33.6 million to be paid in five instalments between 1961 and 1965. Moreover, the United Kingdom is also contributing \$1.4 million towards the cost of improving the airport at Nicosia and \$4.2 million to the Turkish community in Cyprus. 29/

In December 1960, Cyprus concluded an economic assistance agreement with the United States International Cooperation Administration, for shipments of wheat and barley. 30/ The counterpart funds will be used on local development projects, with special emphasis on rural development. This was followed, in January 1962, by an agreement for an educational exchange programme, allocating \$280,000 in scholarship grants to Cypriots.

In December 1961, Cyprus concluded a one-year bilateral trade agreement with the Soviet Union which provided for commodity transactions totalling about \$2.2 million. A similar agreement reached with Yugoslavia did not establish a ceiling to the value of the transactions. 31/

26/ The four-year average for official transfers and government transactions was about \$59 million.

27/ Mostly citrus fruits, carobs, potatoes and wines.

28/ See A.J. Meyer and Simos Vassiliou, The Economy of Cyprus (Harvard University Press, Cambridge, 1962), pages 69 and 70.

29/ Barclays Bank, D.C.O., Overseas Survey (London, 1961).

30/ Barclays Bank, D.C.O., Overseas Review, February 1962 (London).

31/ Barclays Bank, D.C.O., Overseas Review, January 1962.

A study of Iran's foreign trade position showed a trade deficit of about \$257 million in 1957, 32/ the index of which rose to 152 in 1958 (1957 = 100) and to 158 in 1959, standing at 157 in 1960. This is explained by the fact that, while the total value of imports continued to rise at a fast rate, the total value of exports declined by four percentage points in 1958 (1957 = 100) and rose moderately in 1959 and 1960.

The deficit on goods and services (excluding the oil sector) showed a large increase, rising from about \$293 million in 1957 to about \$438 million in 1959, with a minor improvement in 1960. 33/ This is largely explained by excessive expansion of credit in 1958 and 1959 and the foreign exchange requirements of the second seven-year development plan.

In 1957, Iran's foreign exchange earnings from the oil sector were approximately \$228 million, covering about 78 per cent of the deficit on goods and services. Official and private transfers (approximately \$28 million) 34/ covered a further 9 per cent; the rest was met by capital inflows and use of official gold and foreign exchange reserves.

In 1958, foreign exchange earnings from the oil sector (approximately \$316 million) accounted for 75 per cent of the deficit on goods and services, and official and private transfers (about \$20 million), 5 per cent. However, as there were inflows of capital in the amount of about \$93 million, the over-all payments balance for 1958 showed some improvement. This was also reflected in the increase in the official gold and foreign exchange reserves - from \$246 million in 1957 to \$254 million in 1958.

In 1959, Iran's foreign exchange earnings from the oil sector were approximately \$323 million, accounting for about 74 per cent of the deficit on goods and services. Receipts from official and private transfers increased to about \$45 million, covering over 10 per cent of the deficit. The rest was covered by capital inflows of close to \$60 million and loss of gold and foreign exchange reserves. 35/

In 1960, Iran's foreign exchange earnings from the oil sector increased to about \$333 million, accounting for about 77 per cent of the deficit on goods and services. Official and private transfers (approximately \$35 million)

32/ Excluding the commodity transactions of the oil sector. If these transactions are included, Iran's trade balance in 1957 becomes favourable to the extent of about \$170 million. Note that the year here is twelve months, beginning 20 to 22 March of the year stated.

33/ The deficit on goods and services, including foreign exchange earnings from the oil sector, was as follows (in millions of dollars):

<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>
-64.9	-104.1	-114.7	-100.2

34/ Mostly United States grants.

35/ The available data on gold and foreign exchange reserves show a decline from \$254 million in 1958 to \$214 million in 1959.

covered a further 8 per cent of the deficit. However, as there were capital inflows of about \$76 million, the over-all payments balance for 1960 showed considerable improvement. 36/

The serious increase in Iran's trade deficit in 1958 and 1959 necessitated the adoption of certain restrictive measures, primarily designed to influence imports. Thus, in September 1960, the Iranian Government, in co-operation with the International Monetary Fund, introduced a stabilization programme designed to reduce the rate of credit expansion and rectify the deteriorating balance of payments position. The important measures taken in this connexion were the freezing of public department borrowings from the banking system, the cessation of foreign borrowing, 37/ and the adoption of a restrictive credit policy limiting private credit expansion to 5 billion rials in fiscal year 1960/61 and to 5.5 billion rials in fiscal year 1961/62. 38/ However, since the Iranian Government also decided, at the same time, to reduce the debt of the Treasury to the Central Bank by 2 billion and 2.5 billion rials in 1960/61 and 1961/62, respectively, the anticipated net credit expansion was to remain at 3 billion rials in each year.

In addition to the above measures, the Iranian authorities undertook the intensification of restrictions on imports, by including more items in the list of prohibited imports 39/ and administering the "commercial profits" taxes on imports more rigorously. Thus, some seventy new items were added in 1961 to the list of prohibited imports; new regulations were introduced whereby the import of goods was subjected to the provision of documentary letters of credit; 40/ the minimum deposit requirements for such letters of credit was increased to proportions varying between 25 and 70 per cent of the value of the imports.

Finally, mention should be made of a more recent measure which imposes serious limitations on foreign travel. According to this regulation, foreign travel is limited to educational, medical and business purposes only.

36/ The available data show that the official gold and foreign exchange reserves declined from \$214 million in 1959 to \$184 million in 1960. This inconsistency is probably due to the conversion from the Iranian year to the solar year (see foot-note 32). In view of the inadequacy of the payments data, the figures in this section must be used with caution.

37/ This measure did not apply to the Plan Organization.

38/ The buying rate is 75 rials to one dollar.

39/ The import prohibition list was originally designed to restrict demand for non-essential imports or foreign goods competing with domestic products, or both.

40/ Thirteen items of imports, considered essential, were not subjected to this regulation.

While these steps were being taken in order to reduce commodity imports and foreign exchange outflows, the Iranian Government also took some measures designed to encourage exports by concluding bilateral trade agreements with Japan, India and Afghanistan. 41/

In the absence of more recent trade and payments data, it is not yet possible to assess the effectiveness of the stabilization and export encouragement programme. Suffice it to say, however, that the figures for 1960 42/ show that the value of commodity imports (including non-monetary gold) continued to rise above the 1959 level and that the value of non-oil exports increased at a rate faster than that of imports, resulting in a minor improvement in the trade and payments gaps.

Iraq's foreign trade position (excluding the oil sector) in 1957 showed a trade deficit of \$292.4 million, 43/ the index of such deficit having declined to 82 in 1958 (1957 = 100) and risen to 85 in 1959 and to 113 in 1960. These changes were caused by the sharp drop in imports in 1958 and 1959 and a significant rise in 1960, 44/ coupled with a rise in the total value of exports in 1958, a drop in 1959 and a sharp fall in 1960. 45/

Iraq's deficit on goods and services (excluding the oil sector) in 1957 was \$282.2 million. It showed considerable improvement in 1958 and a slight deterioration in 1959, but experienced a serious deterioration in 1960, when it stood at \$329 million. 46/ These relative improvements in the 1958 and 1959 balances are largely explained by the restrictions on imports and the increase in oil revenues.

41/ These were in addition to those previously concluded with Czechoslovakia, Hungary, Poland, the Soviet Union and Turkey.

42/ Figures shown for 1961 in International Financial Statistics of the International Monetary Fund.

43/ If the commodity transactions of the oil sector are included, Iraq's trade balance becomes favourable to the extent of about \$17 million in 1957, \$259 million in 1958, \$280 million in 1959 and \$255 million in 1960. Note that the sharp rise in the balance between 1957 and 1958 reflects the serious decline in Iraq's crude oil exports in 1957 (from the 1956 level) due to the destruction of the Iraq Petroleum Company pumping stations in Syria.

44/ The Iraqi Government imposed import restrictions in 1958 and 1959, but lifted them in 1960.

45/ The fall in the value of exports in 1959 and 1960 resulted from the decline in agricultural production and the unfavourable changes in the terms of trade. It should be noted, however, that the impact of non-oil export proceeds on the balance of trade is limited, as such exports constitute a relatively small and declining percentage of the value of imports. They formed 12 per cent of imports (excluding oil company imports) in 1957, 15 per cent in 1958, 14 per cent in 1959 and 8 per cent in 1960.

46/ The balance on goods and services, including foreign exchange earnings from the oil sector, was as follows (in millions of dollars):

<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>
-128.5	54.3	33.0	-15.3

In 1957, Iraq's foreign exchange earnings from the oil sector were approximately \$154 million (a drop of about \$70 million from the 1956 level), covering about 55 per cent of the deficit on goods and services. 47/ The rest was mostly covered by drawings on official gold and foreign exchange reserves. In fact, these reserves declined from \$354 million in 1956 to \$261 million in 1957.

In 1958, the increase in oil revenues 48/ and the sharp reduction in imports caused a considerable improvement in Iraq's balance of payments position, leading to a surplus of about \$54 million on goods and services. This is also reflected in the increase in official gold and foreign exchange reserves from \$261 million in 1957 to \$288 million in 1958.

In 1959, there was a slight deterioration in Iraq's payments position. While oil receipts continued to rise (though at a decreasing rate) and imports remained fairly stable, there was a substantial deterioration on account of services and donations which resulted in the surplus on current account being reduced to very small proportions.

Iraq's payments position changed considerably in 1960, when imports rose by about \$70 million above the 1959 level and exports dropped by about \$10 million below the 1959 level. The rise in imports was a direct result of the increase in domestic demand and the continuation of a liberal import policy initiated in the last quarter of 1959. The poor harvest, on the other hand, reduced agricultural exports and necessitated grain imports. Thus, despite the increase in oil revenues in 1960 - to an estimated sum of \$267 million - the account on goods and services registered a deficit of about \$15 million. This was reflected in the loss of official gold and foreign exchange reserves in the amount of about \$42 million.

Israel's trade deficit in 1957 was approximately \$292 million; the index of such deficit declined to 70 (1957 = 100) in 1959 and stood at 82 in 1960. These changes are explained by the fact that, while the total value of imports declined substantially in 1958 and rose moderately in 1959 and 1960, the value of exports increased considerably in 1959 and 1960 and stood at an index of 149 (1957 = 100) in 1960. 49/

The account on goods and services since 1957 shows a large but relatively stable deficit, rising from about \$332 million in 1957 to \$339 million in 1960, with a considerable decline in 1959 when it stood at approximately \$312 million.

47/ In 1956, Iraq's foreign exchange earnings from the oil sector were about \$224 million, covering 89 per cent of the deficit on goods and services.

48/ Iraq's oil revenues in 1958 (exclusive of \$12.6 million in settlement of previous claims) were estimated to be about \$224.5 million.

49/ The increase in the total value of exports is mainly accounted for by exports of citrus fruits and manufactured products, despite the slight decline in the terms of trade to 99 in 1959 and 96 in 1960 (1953 = 100).

Between 1957 and 1960, Israel received a total sum of \$1,059.3 million in official and private donations, 50/ representing a four-year average of 80 per cent of the deficit on goods and services. The remainder was financed by the net inflow of private and official capital. 51/ As the total net receipts from donations and foreign loans exceeded the deficit on goods and services, the (gross) foreign exchange holdings of the Bank of Israel and the commercial banks increased substantially, from about \$136 million at the end of 1958 to \$273 million at the end of 1960.

Israel has bilateral agreements with Brazil, Bulgaria, Ghana, Greece, Hungary, Poland, Portugal, Romania, Turkey, Uruguay and Yugoslavia. All payments agreements (except that with Greece) are associated with trade agreements. Most of these agreements are denominated in dollars and all provide for credit limits ranging from \$0.25 million to \$1.5 million. Bilateral trade constitutes about one-tenth of total trade.

Recently, Israel terminated the payments agreements with Argentina, Burma, Denmark, Finland, France, Iceland, Italy and Norway and additional payments agreements were negotiated with Ghana, Portugal and Uruguay.

Jordan had a trade deficit of \$68 million in 1957, the index of which rose to 154 (1957 = 100) in 1960. This was caused both by the serious fall in exports and the constantly rising import demand. Crop failures - due to unfavourable weather conditions - reduced exports to 61 per cent of the 1957 level in 1959 and to 71 per cent in 1960. While exports formed 18 per cent of imports (in value) in 1957, they constituted only 9 per cent of imports in 1960.

The deficit on goods and services was about \$67 million in 1957, rising to approximately \$100 million in 1960. The large trade deficit was partly offset by net receipts on account of services, private donations and capital inflow. The rest was offset by official donations and loans, resulting in an increase in Jordan's foreign assets. 52/

It is important to note, however, that, as in the case of the budget, Jordan has relied substantially and increasingly on foreign aid. Official donations increased from \$47.2 million in 1957 to \$73.1 million in 1960, representing an annual average of 77 per cent of the deficit on goods and services over the period.

From the point of view of Jordan's balance of payments position, it is important to take note of two recent and favourable developments. First, the trend of private remittances - mostly from Jordanians working in the Persian Gulf

50/ Official donations (reparations from the Federal Republic of Germany and United States and United Nations economic and technical assistance) constituted 33 per cent of the total. Private donations were personal restitutions from the Federal Republic of Germany in cash, personal and institutional remittances in cash, and transfers in kind.

51/ Net inflow of private and official capital totalled \$379.8 million in four years.

52/ These foreign assets increased from about \$75 million in 1957 to \$89 million in 1960.

area - seems to be upward. These remittances increased from \$13.6 million in 1957 to \$21.4 million in 1960. Second, net earnings from tourism are increasing as a result of improved facilities, better government organization and greater political stability in the Middle East.

Recently, two important developments took place in Jordan's restrictive system. First, in January 1960, two trade and payments agreements with the State Trading Corporation of India came into force. Second, an agreement was reached with the United States authorities in 1961 restricting the import of certain items to goods of United States origin.

Lebanon's trade deficit was about \$185 million in 1957, the index of such deficit having fallen to 96 in 1958 (1957 = 100) and risen to 133 in 1960. ^{53/} The export index remained almost constant in 1958 - probably as a result of the political disturbances in that year - but rose sharply to 219 (1957 = 100) in 1960. The import index, on the other hand, fell to 97 in 1958 and rose to 152 in 1960.

According to the available information, net invisible earnings (services) covered an annual average of 56 per cent of the trade gap between 1957 and 1960 and net private donations (emigrants' remittances), a further 19 per cent. The rest was covered by official donations ^{54/} and private capital inflow. Good indications of the strength of Lebanon's balance of payments are the accumulation of official gold and foreign exchange reserves - from \$99 million in 1957 to \$139 million in 1961 - and the appreciation of the Lebanese pound in the free market from £L 3.6 per dollar in 1957 to £L 3.02 in 1961.

In 1959, Lebanon had bilateral trade and payments agreements with Czechoslovakia, Eastern Germany, Iraq, Poland, Romania, Saudi Arabia, the Soviet Union and the United Arab Republic (Egypt), and trade agreements with mainland China, France, Italy and Yugoslavia. Since then, the agreement with Saudi Arabia has been terminated and the agreement with Iraq has been superseded by the General Agreement on Trade and Payments of the Arab League countries. New protocols have also been concluded with Czechoslovakia, Poland and the Soviet Union, and a new agreement was concluded with the United Arab Republic (Egypt) designed to regulate tourism by residents of that country in Lebanon.

Syria's trade deficit in 1957 was approximately \$17 million, the index of such deficit having risen sharply to 432 in 1958 (1957 = 100), declined slightly in 1959 and risen again to 646 in 1960. These large changes in the trade gap can be explained by the following factors.

Exports dropped sharply in 1958 and 1959 and showed a moderate increase in 1960. The index of exports in 1960 was 84 (1957 = 100), reflecting the low level of agricultural production in the 1958-1960 period, which was coupled with the

^{53/} Lebanon's trade and payments figures must be used with caution, as the available statistical data are inadequate. The above discussion is based on the data appearing in the article of Khalil Salem entitled "Balance of Payments of Lebanon, 1960", op. cit.

^{54/} Official donations reached a peak of about \$26 million in 1958 - when Lebanon received special United States assistance of \$12.5 million and grain under Public Law 480 - but dropped sharply to \$6 million in 1959. These donations are likely to have declined further in 1960 as the United States reduced its aid programme in Lebanon.

declining cotton prices in 1958 and 1959. Exports of wheat and barley in 1958 were 49 and 73 per cent below the 1957 levels, and in 1959 and 1960 there were substantial imports of grains. On the other hand, imports rose sharply in 1958, were reduced moderately in 1959 - as a result of restrictive measures - but resumed a sharp upward trend in 1960, mainly under the impetus of monetary expansion starting in 1959.

Syria's account on goods and services 55/ showed a surplus of about \$2.6 million in 1957 56/ and a serious deficit of about \$33.6 million in 1958. The payments position improved moderately in 1959 57/ but deteriorated seriously in 1960, when the deficit on goods and services stood at about \$58.8 million. The unfavourable payments developments of 1960 are largely a reflection of the increased demand for imports associated with inflationary pressures operating in the Syrian economy. Thus, in order to meet the large payments deficit in 1960, the short-term assets of the Central Bank fell and its liabilities rose, reflecting purchases of \$9.6 million from the International Monetary Fund. In October 1960, Syria drew an additional amount of \$5.4 million from the Fund, as its payments position continued to be difficult.

The deficit on current account between 1958 and 1960 was largely met by increased oil transit dues, 58/ private donations 59/ and official transfer payments. 60/ The rest was covered by capital movements and drawings on reserves. Syria's official gold and foreign exchange reserves dropped from \$62 million in 1957 to \$46 million in 1958 and stood at \$50 million in 1960.

Since 1958, the Syrian Government has felt the need to impose certain restrictions on imports in order to conserve foreign exchange and correct the imbalance in the country's payments position. As a result of serious deterioration in the balance of payments, the Syrian authorities expanded the list of suspended imports in April 1960 to include motor vehicles (other than buses), washing machines,

55/ Syria's balance of payments estimates are deficient - especially in items covering private capital movements and certain invisibles - with the result that the item "net errors and omissions" is relatively large.

56/ 1957/58 was a bumper crop year.

57/ Mainly because of a reduction in imports and an increase in net invisibles (largely higher oil transit dues).

58/ Oil transit dues declined to \$9.2 million in 1957 (\$21.9 million in 1956) owing to the interruption of crude oil flow in the pipelines passing through Syrian territory, but increased to \$24.3 million in 1960.

59/ These were increased emigrant remittances probably due to increased support payments by Syrians working abroad - particularly in Saudi Arabia and Kuwait - to their families, in view of the drought conditions in Syria. The amounts involved were \$3 million in 1957, rising to \$9.7 million in 1960.

60/ These payments increased from \$1.5 million in 1957 to \$10.3 million in 1960, representing mainly budgetary support from the United Arab Republic (Egypt) and United States grain shipments under Public Law 480.

dryers, refrigerators and other durable luxury goods. This action was accompanied by credit restrictions, requiring importers to make advance deposits of 15 per cent for essential items and 40 per cent for all other import commodities financed through documentary credit. Meanwhile, there was a gradual shift from providing foreign exchange at the controlled market rate to that of the free market rate. The continued worsening of the payments position led to the suspension of all imports in December 1960 and, in February 1961, exchange control was imposed.

Syria has bilateral payments arrangements with mainland China, Eastern Germany, Hungary, North Viet-Nam, Poland, Rumania and the Soviet Union. Recently, Syria also concluded economic and trade agreements with Iraq and Saudi Arabia.

Turkey's trade deficit in 1957 was \$15 million, the index of such deficit having risen to 570 in 1960 (1957 = 100). There were a number of reasons for these developments. The value of exports in 1958 dropped sharply to 75 per cent of the 1957 level, largely because demand for mineral ores was slack, receipts from tobacco exports were lower owing to foreign importers of Turkish tobacco having exerted considerable pressure in order to obtain price concessions, and foreign demand for cotton was lagging. ^{61/} Furthermore, exports were delayed due to the administrative implementation of the August 1958 stabilization programme and exchange rate adjustments. In 1959, exports increased to an index of 107 (1957 = 100), largely because of the favourable impact of the stabilization programme on domestic costs and prices and the growth in public confidence in Turkey's economic position. The slight fall in exports in 1960 - to an index of 102 (1957 = 100) - was due to the fact that the 1959 exports contained large sales of stocks (especially of tobacco, cotton and mohair) accumulated in 1958.

The decline in imports in 1958 - to an index of 82 (1957 = 100) - reflected both the difficult foreign exchange position of Turkey prior to the introduction of the stabilization programme, and the delays and technical problems that attended the establishment of the new import policy and procedures during the second half of 1958. The index of imports in 1959 rose to 122 (1957 = 100) and remained at that level in 1960, largely because of caution shown by private industry and trade in 1960. The availability of foreign exchange was not a limiting factor, as evidenced by the improvement in the Central Bank's net reserve position.

Turkey's balance of payments in 1958 showed two distinct developments: the low level of international trade and the impact of the growing inflow of foreign assistance following the introduction of the stabilization programme.

The deficit on goods and services in 1958 was about \$61 million and the major financing item was foreign assistance. External aid granted to Turkey in August 1958 consisted of \$359 million. ^{62/} The economic aid made available in 1959 more than covered the deficit on current account.

^{61/} The volume indices of tobacco and cotton exports in 1958 were 74 and 50 (1957 = 100), and the price indices were 97 and 93, respectively.

^{62/} The major breakdown was as follows: United States defence support \$100 million; loans under Public Law 480, \$15 million; development loans, \$75 million, of which one-half was contributed by the Export-Import Bank and the other half by the United States Development Fund; the IMF, \$25 million, and credits from OEEC countries, \$75 million.

The deficit on goods and services in 1959 rose to about \$121 million. While both exports and imports increased substantially in 1959, imports increased at a faster rate and receipts from offshore purchases of military supplies declined. The major financing item in the 1959 balance of payments was again foreign economic aid. Thus, the economic aid made available in 1959 more than covered the deficit on current account, including the repayment of arrears. As a result, there was a small improvement in the reserve position, mainly in the form of an increase in short-term assets.

In 1960, exports declined slightly and imports remained at the 1959 level, leading to a larger trade gap - from about \$66 million in 1959 to \$85 million in 1960. However, in view of smaller outlays for net invisibles and higher infrastructure and offshore receipts, the deficit on goods and services remained at the 1959 level (\$121 million). While service on foreign debt was about \$97 million, grants and credits received (about \$207 million) were sufficient to cover the deficit plus debt service, including interest payments.

Turkey has bilateral payments agreements with Brazil, Bulgaria, Czechoslovakia, Eastern Germany, Finland, Hungary, Iran, Israel, Poland, Romania, the Soviet Union, the United Arab Republic (Egypt) and Yugoslavia.

The balance of trade for the United Arab Republic (Egypt) showed a deficit of about \$147 million in 1957, 63/ the index of which rose to 141 in 1959 (1957 = 100) and stood at 112 in 1960.

The total value of exports registered a minor decline in 1958, was at the 1957 level in 1959, and increased by 22 per cent in 1960 as compared to 1959. However, cotton - which normally represents about 70 per cent of total exports receipts - suffered a serious loss in its average export price in 1958 and 1959, despite the substantial increases in its volume of exports. 64/ Furthermore, rice exports - the second largest export commodity - in 1959 were negligible due to unfavourable flood conditions of the Nile. 65/ In fact, rice exports were banned in September 1958 in order to ensure adequate supplies for local consumption.

Imports in 1960 were about 20 per cent above the 1957 level, 66/ consisting mainly of manufactured goods and, in particular, machinery and transport equipment for the expanding industry. 67/

63/ The trade deficit for 1956 was \$209 million.

64/ The indices for cotton prices were 83, 74 and 76 (1957 = 100) in 1958, 1959 and 1960, respectively. On the other hand, the volume indices of cotton exports were 107 in 1958, 121 in 1959 and 142 in 1960.

65/ The index for rice output in 1958/59 was 69 (1956/57 = 100); the corresponding acreage and yield indices were 75 and 92, respectively.

66/ Import prices were 93 and 83 in 1958 and 1959, respectively (1957 = 100).

67/ The indices for machinery and transport equipment imports were 180 in 1958, 187 in 1959 and 163 in 1960 (1957 = 100).

The deficit on goods and services in 1957 was about \$95 million, ^{68/} falling to \$60 million in 1958 and rising again to \$129 million in 1959. The deficit in 1960 was about \$94 million. The presence since 1958 of large and growing Suez Canal revenues helped ease the current account position. ^{69/} However, since the deficit on "other services" ^{70/} increased at about the same rate as that of the Suez Canal revenues, the surplus on services account has remained stable at about \$85 million in each of the last three years.

Capital movements (including donations) since 1957 show that, in addition to financing the goods and services deficit, the United Arab Republic (Egypt) has also had to meet heavy obligations, particularly in 1960, associated with the post-Suez property settlements with the Suez Canal Company, the United Kingdom and France, and in connexion with the Nile waters agreement with the Sudan. In 1960, the sum of the contractual payments involved was about \$94 million.

The major assistance towards financing this deficit came from the United States and totalled about \$136 million in 1959 and 1960. ^{71/} There were also drawings on the International Bank for Reconstruction and Development loan to the extent of about \$31 million and on the International Monetary Fund for a net amount of about \$17 million in 1960. The rest of the deficit - averaging about \$59 million per year in the period from 1958 to 1960 - was covered mainly by drawings on the official gold and foreign exchange reserves, which declined from approximately \$566 million in 1956 to about \$221 million in 1961.

The recent developments in trade policy were the regulations concerning the marketing of cotton and the exchange rate system. Under this new policy, the Alexandria Cotton Spot Exchange was closed. All cotton is surrendered to the Cotton Commission at prices fixed by the Government. The Commission then sells the cotton to the Cotton Organization, which exports it at competitive prices and supplies the local mills with their requirements. The purpose of this policy is to provide stability in revenues to the producers.

The foreign exchange system has undergone a number of modifications in recent years, the most important of which were designed to simplify transactions and to protect the Egyptian pound.

The United Arab Republic (Egypt) carries on most of its trade through a complex system of bilateral trade and payments agreements with forty-two countries. These are divided into four main groups: agreements providing for payment through collector accounts in Egyptian pounds or units of account; agreements with settlements in convertible currencies without credit facilities; agreements with settlements in convertible currencies with credit facilities, and agreements providing for settlement of payments in free currencies in addition to bilateral methods of payments.

^{68/} The deficit in 1956 was about \$143 million.

^{69/} These revenues increased from about \$90 million in 1955 to \$140 million in 1960.

^{70/} These services represent mostly government expenditures abroad.

^{71/} Sale of surplus agricultural commodities, under Public Law 480, against local currency payment.

Composition of trade

Indices for the major groups of exported products (excluding petroleum) 72/ for some selected countries are presented in table 4-3.

In Cyprus, the export of agricultural products accounted for about 25 per cent of total exports (in value) in 1957. The index of these exports rose to 122 in 1960 (1957 = 100), representing 31 per cent of the value of total exports in 1960. Exports of mineral products formed about 53 per cent of total exports (in value) in 1957 and 51 per cent in 1960. Their index fell to 92 in 1960 (1957 = 100) after registering substantial declines in 1958 and 1959. 73/

Iran's exports of agricultural products accounted for about 50 per cent of total exports (in value) in 1957 and retained the same percentage relationship in 1960. The index of these exports, however, declined to 81 in 1960 (1957 = 100), largely because of unfavourable weather conditions which adversely affected the production of wheat, barley and tobacco. Manufactured products (mainly Persian rugs) constituted 18 per cent of exports (in value) in 1957, rising to 26 per cent in 1960.

Iraq's exports of agricultural products (including dates) accounted for about 75 per cent of total exports (in value) in 1957 and 73 per cent in 1960. The index of these exports was 60 in 1960 (1957 = 100), reflecting the serious drought conditions in this period which adversely affected the production of wheat, barley, rice (in 1959/60) and dates. 74/

In Israel, exports of agricultural products accounted for about 38 per cent of total exports in 1957 and 29 per cent in 1960, despite a substantial rise in the export of agricultural products (mainly citrus fruits). 75/ This was mainly because the export of manufactured products 76/ increased at a higher rate, having reached in 1960 an index of 176 (1957 = 100).

Jordan's exports of agricultural products accounted for 44 per cent of total exports (in value) in 1957 and 40 per cent in 1960. The index of these exports fell to 74 in 1960 (1957 = 100). 77/ Exports of phosphates formed 21 per cent of total

72/ Data related to trade transactions of crude and refined oil are to be found in chapter 3.

73/ The fall in the value of mineral product exports was due to the drop in prices, despite the rise in volume in 1958 and 1960.

74/ The relative stability of the percentage relationship of the exports of agricultural products to total exports is a direct reflection of the importance of agricultural products in total exports.

75/ The rise in the volume of exports of agricultural products was not accompanied by a proportionate rise in export receipts due to the fall in export prices, from 98 in 1958 (1957 = 100) to 87 in 1960.

76/ Mainly textile goods, tires, diamonds, chemical fertilizers, plywood, cement and glass. The value of exports of diamonds (cut and polished) rose from about \$34 million in 1958 to over \$60 million in 1960.

77/ Jordan's output of cereals suffered serious losses - as a result of prolonged drought conditions - but the increase in fruit and vegetable production and exports of these products to neighbouring countries, made up in part for these losses.

Table 4-3. Indices of Exports of Groups of Products, Excluding Petroleum,
Selected Countries, 1958-1960

(1957 = 100)

Country and item	1957 (millions of dollars)	1958	1959	1960
<u>Cyprus:</u>				
Agricultural products	12.0	110	123	122
Mining products	25.8	84	87	92
<u>Iran:</u>				
Agricultural products	56.5	90	82	81
<u>Iraq:</u>				
Agricultural products	27.2	111	88	60
<u>Israel:</u>				
Agricultural products	54.0	106	107	119
Manufactured products	87.0	97	139	176
<u>Jordan:</u>				
Agricultural products	5.3	79	79	74
Mining products <u>a/</u>	2.5	112	112	144
<u>Lebanon:</u>				
Agricultural products	19.2	82	96	87
Manufactured products <u>b/</u>	8.4	48	63	73
<u>Syria:</u>				
Agricultural products	119.5	73	61	57
Manufactured products <u>c/</u>	9.3	73	69	65
<u>Turkey:</u>				
Agricultural products <u>d/</u>	287.9	69	104	84
Mining products	41.1	78	57	78
<u>UAR (Egypt):</u>				
Agricultural products	394.5	92	83	107
Manufactured products	25.5	122	133	178

Source: Based on data appearing in table IV-1.

a/ Exports of phosphates.

b/ Mainly precious metals.

c/ Mainly silk and artificial silk fabrics.

d/ Including agricultural products for industrial use.

exports (in value) in 1957, but rose to 37 per cent in 1960 and the index was 144 in 1960 (1957 = 100), reflecting a substantial increase in volume under relatively stable price conditions.

In Lebanon, exports of agricultural products accounted for about 40 per cent of total exports (in value) in 1957, but for only 24 per cent in 1960. The index of these exports was 87 in 1960 (1957 = 100). 78/

In Syria, exports of agricultural products accounted for about 79 per cent of total exports (in value) in 1957 and 73 per cent in 1960, and the index of these exports was 57 in 1960 (1957 = 100). 79/ Exports of manufactured goods, mainly silk and artificial silk fabrics, formed about 5 per cent of total exports (in value) throughout this period.

In Turkey, exports of agricultural products (including those for industrial use) accounted for 84 per cent of total exports (in value) in 1957 and for 76 per cent in 1960. The indices for these exports fell to 69 in 1958 (1957 = 100), rose to 104 in 1959 and fell again to 84 in 1960. 80/ Exports of mining products formed about 12 per cent of total exports (in value) in 1957, dropped to 7 per cent in 1959, and was 10 per cent in 1960. The indices for these exports also fluctuated, from 78 in 1958 (1957 = 100) to 57 in 1959 and 78 in 1960. 81/

In the United Arab Republic (Egypt), exports of agricultural products (mainly cotton) accounted for about 81 per cent of total exports (in value) in 1957 and 78 per cent in 1960. The indices of these exports fell to 92 and 83 (1957 = 100) in 1958 and 1959, respectively, and rose to 107 in 1960. 82/ Exports of manufactured goods (mainly cotton yarn and fabrics) registered some increases, but continued to account for less than 1 per cent of total exports (in value).

78/ Export of precious metals was also an important item in 1957, but it gradually lost its relative position, from 18 per cent in 1957 to 9 per cent in 1960.

79/ Syria was one of the few Middle East countries which suffered most in its cereals output as a result of unfavourable weather conditions. While the cotton crop fared well in this period - with an output index of 119 in 1960/61 (1956/57 = 100) - the fall in cotton prices in 1958 and 1959 had substantial effects on the reduction of export receipts.

80/ Turkey does not seem to have been seriously affected by the adverse weather conditions, except for cotton in 1957/58, the output index of which fell to 82 (1956/57 = 100); the volume index of exports in 1958 fell to 50. However, indices of the volume of total exports fell considerably in this period and export prices of both cotton and tobacco suffered serious reductions.

81/ This was due both to the fall in the export prices of mineral products and the decline in the quantity exported.

82/ This is explained mainly by the fact that rice output dropped seriously in 1958/59, leaving no exportable surplus, and cotton prices fell considerably in 1958 and 1959 - to indices of 83 and 74 (1957 = 100) - despite the large increase in the volume of cotton exports.

The indices of major categories of imports are presented in table 4-4.

Table 4-4. Middle East: Indices of Major Categories of Imports, Selected Countries, 1958-1960
(1957 = 100)

Country and item	1957 (millions of dollars)	1958	1959	1960
<u>Cyprus:</u>				
Food	21.0	93	103	116
Manufactured goods	76.7	74	87	74
<u>Iran:</u>				
Food	58.7	100	100	148
Manufactured goods	247.9	144	187	236
<u>Iraq:</u>				
Consumer goods	129.4	85	101	132
Capital goods	149.2	82	69	84
<u>Israel:</u>				
Consumer goods	50.0	106	90	98
Raw materials (including fuels)	265.4	95	101	153
Investment goods	116.0	99	97	121
<u>Jordan:</u>				
Food	27.4	115	126	140
Manufactured goods	47.6	108	137	142
<u>Lebanon:</u>				
Consumer goods	85.6	80	106	148
Raw and semi-manufactured products	56.9	80	103	220
Capital goods	39.2	99	101	159
<u>Syria:</u>				
Food	26.1	95	113	206
Manufactured goods	108.7	121	106	122
Raw materials (including fuels)	36.2	95	85	75
<u>Turkey:</u>				
Consumer goods	48.9	79	98	92
Raw materials	175.4	80	119	102
Capital goods	172.9	79	124	141
<u>UAR (Egypt):</u>				
Food	139.6	101	107	80
Crude materials and mineral fuels	188.7	119	97	67
Manufactured goods	95.6	111	100	123
Machinery and transport equipment	82.0	180	187	163

Source: Based on data appearing in table IV-2.

As the classification of imports varies among countries, the analysis here will concentrate on highlighting the import trends for each country since 1957 and, when possible, on analysing the underlying causes.

In Cyprus, imports declined in 1958, but resumed a moderate upward trend in 1959 and 1960. Imports of food items followed the same trend, but imports of manufactured goods declined sharply in 1958 and again in 1960, with a small relative increase in 1959. ^{83/} In 1960, imports of food items accounted for 22 per cent of total imports (in value), of manufactured products, 34 per cent of total imports; imports of machinery and transport equipment accounted for a further 18 per cent of the total.

In Iran, imports of food items in 1958 and 1959 remained constant at the 1957 level, but increased sharply in 1960, representing a 48 per cent rise above the 1957 level. ^{84/} Imports of manufactured articles, which accounted for 83 per cent of total imports (in value) in 1960, rose sharply in this period to an index of 236 (1957 = 100). ^{85/}

Iraq's imports of consumer goods dropped sharply in 1958, but resumed their upward trend in 1959 and 1960. ^{86/} Imports of capital goods were also seriously affected by trade restrictions and their index in 1959 was 69 (1957 = 100), rising to 84 in 1960. Indications are that imports of machinery and equipment - as a component of capital goods imports - suffered the sharpest drop in this period.

Israel's imports of manufactured consumer goods fluctuated moderately in this period and in 1960 were at a level slightly below that of 1957. Imports of raw materials (including fuel) dropped in 1958 but rose sharply to an index

^{83/} The changes observed in these trends are largely due to the political disturbances in 1958 and 1959 and the loss of invisible receipts in 1960. The increase in the imports of food items from an index of 103 in 1959 to 116 in 1960 (1957 = 100) was mainly due to imports of 40,000 tons of wheat and 10,000 tons of barley under United States Public Law 480.

^{84/} This was mainly because of the fall in grain output in 1960-1961 and the import of grains and flour, totalling about 250,000 tons, under United States Public Law 480.

^{85/} This was due both to the increase in domestic demand for consumer goods and to the import of capital goods to meet the investment requirements of the plan. In all cases, trade transactions of the oil sector are excluded.

^{86/} The rise in the import of consumer goods in 1959 was mainly due to the rise in the import of food items - despite the official trade restrictions - necessitated by the serious fall in the output of wheat, barley and rice.

of 153 (1957 = 100) in 1960. 87/ Imports of investment goods declined in 1958 and 1959 but rose substantially in 1960. An examination of the components of investment goods shows that imports of industrial equipment continued to rise throughout this period, while imports of transport equipment showed a persistent decline between 1957 and 1959 but rose sharply in 1960.

In Jordan, imports of both food items and manufactured articles continued to rise at varying rates throughout this period. The index of the imports of food items rose from 115 in 1958 (1957 = 100) to 126 in 1959 and to 140 in 1960. 88/ The rise in the import of manufactured articles is a consequence of the acceleration in development activities and the rising standard of living.

Lebanon experienced stagnation in its import trade in 1958 largely because of the prolonged internal disturbances in that year. The import of consumer goods declined to 80 (1957 = 100) but rose sharply in 1959 and was 48 per cent above the 1957 level in 1960. The sharp rise between 1959 and 1960 was due partly to the import of food items 89/ and partly to the general rise in domestic consumption resulting from a higher level of income under conditions of free trade. The import of other major categories followed the same pattern but at different rates of increase. Imports of raw and semi-manufactured products 90/ more than doubled in value between 1959 and 1960, and imports of capital goods in 1960 were close to 60 per cent above the 1959 level, reflecting conditions of increased economic activity in 1960.

In Syria, imports of food items first declined in 1958 then rose to an index of 206 in 1960 (1957 = 100). 91/ Imports of manufactured articles registered minor fluctuations between 1957 and 1959 but in 1960 they rose to 22 per cent above the 1957 level. Imports of raw materials, including fuels, declined throughout this period. 92/ In 1960, imports of food, manufactured articles and raw materials constituted about 25, 62 and 13 per cent of total imports (in value), respectively.

87/ Imports of fuel actually declined but imports of raw materials (mainly for industrial use) increased substantially.

88/ The sharp rise in the index in 1960 was in part the result of imports of United States grains in 1960/1961 under title II of Public Law 480. These imports became necessary through the serious fall in the output of wheat and barley in 1960/1961, to 18 and 14 per cent of the 1956/1957 levels, respectively.

89/ Resulting from the partial loss of the wheat crop in 1960/1961, when its index of output fell to 67 (1956/1957 = 100).

90/ Including chemical and pharmaceutical products and fuels.

91/ Syria had a bumper crop of wheat and barley in 1957/1958 but suffered serious losses in grain output in the following two years. In fact, Syria imported over 435,000 tons of grains and flour in fiscal years 1959/1960 and 1960/1961 under United States Public Law 480.

92/ This was probably the result of the decline in the import of fuels due to the expanded operations of the Homs refinery.

As mentioned earlier, Turkey's imports declined substantially in 1958, mainly because of the tight foreign exchange position in that year. Imports of consumption goods dropped to an index of 79 in 1958 (1957 = 100) and in 1960 were 8 per cent below the 1957 level; imports of raw materials followed the same pattern. Imports of capital goods (including construction materials) dropped to an index of 79 in 1958 but rose to 141 in 1960 (1957 = 100). Imports of machinery and equipment constituted about 31 per cent of total imports (in value) in 1957 and about 45 per cent in 1960.

In the United Arab Republic (Egypt), imports of food items ^{93/} rose moderately to an index of 107 in 1959 (1957 = 100) but dropped to 80 in 1960. Imports of crude materials and mineral fuels dropped to an index of 67 in 1960 (1957 = 100), after a substantial increase in 1958. Imports of machinery and transport equipment rose sharply in 1958 and 1959 and dropped moderately in 1960. ^{94/} Such imports constituted about 15 per cent of total imports in 1957 (24 per cent in 1956), 25 per cent in 1959, and 21 per cent in 1960.

The indices of volume and prices of exports and imports for selected countries of the Middle East are shown in table 4-5 and are self-explanatory.

Intra-regional trade

The volume of trade among the Middle East countries is largely governed by bilateral agreements and the Trade and Payments Conventions of the Arab League. The first Arab League Convention - concluded among the member States on 9 September 1953 - provides for tax exemption on agricultural and animal products originating in the Arab countries, tariff reductions on certain industrial products, and most favoured nation treatment to all the signatory countries. This Convention also provides that agreements concluded between Arab and non-Arab countries should not prejudice the special treatment accorded to League members. A second Convention - concluded at the same time - provides for the conditions of settlement of payments on current transactions. Conditions of capital transfers are left open for negotiation among the interested parties. It must be noted, however, that while the first Convention does not exempt trade among the signatory countries from existing restrictions such as import and export licensing and other embargoes - nor does it prohibit the institution of new ones - such exemptions have actually been introduced by certain countries which have been the subject of separate agreements. Other bilateral agreements include those concluded by Turkey with Iran, Israel and the United Arab Republic (Egypt).

^{93/} Including beverages and tobacco but excluding animal and vegetable oils and fats.

^{94/} The sharp increase in 1958 was due to the low level of imports in 1957, mainly because of the Suez Canal crisis.

Table 4-5. Indices of Volume and Prices of Exports and Imports,
Selected Countries and Commodities, 1958-1960
(1957 = 100)^{a/}

	1958	1959	1960
<u>Iran:</u>			
Export prices	93	89	87
Import prices	93	95	98
<u>Iraq:</u>			
Volume of exports	167	190	214
Petroleum	168	197	224
Barley	160	23	-
Dates	104	122	110
Export prices:			
Petroleum	98	91	88
Barley	100	123	...
Dates	79	93	107
<u>Israel:</u>			
Volume of exports	101	142	198
Citrus fruits	96	125	143
Export prices	98	90	87
Volume of imports	105	110	126
Import prices	94	92	94
<u>Syria:</u>			
Volume of exports:			
Cotton	96	111	100
Wool	101	128	79
Wheat	51	-	-
Barley	27	-	-
Export prices:			
Cotton	99 <u>b/</u>	84 <u>b/</u>	98 <u>b/</u>
Wool	88	84	76
Wheat	94 <u>b/</u>	126 <u>b/</u>	131 <u>b/</u>
Barley	123 <u>b/</u>	166 <u>b/</u>	149 <u>b/</u>
<u>Turkey:</u>			
Volume of exports:			
Tobacco	74	74	64
Cotton	50	155	133
Export prices:			
Tobacco	97	88	72
Cotton	93	82	84
<u>UAR (Egypt):</u>			
Volume of exports	112	116	...
Cotton	107	121	142
Export prices	87	78	...
Cotton	83	74	76
Volume of imports	139	141	...
Import prices	93	83	...

Source: International Monetary Fund, International Financial Statistics, March 1962.

a/ The indices were recalculated from the 1953 base.

b/ Damascus price quotations.

The commodity exports and imports of nine Middle East countries to and from the region - and the regional trade as a percentage of total trade - for the period 1957-1960 are shown in table 4-6. 95/

Despite the lack of adequate data on the specific commodity exchanges among the Middle East countries - and bearing in mind the presence of certain obstacles to trade which are mostly non-economic in nature - the data in table 4-6 may be construed as a rough indication of the degree of complementarity that at present exists among the countries of the region.

Cyprus' trade with the Middle East represented a very small percentage of its total trade in this period and showed a persistent deficit. Its relatively important partners in trade were Aden, Israel and Lebanon.

Iran's regional trade (including crude oil exports) represented a small and declining percentage of its total trade in 1957 and 1958 96/ and the trade balance showed a consistent surplus. Its major trade partners were Aden (mostly crude oil exports), Kuwait, Iraq, Lebanon and Muscat and Oman. Although Iran has a trade and payments agreement with Turkey, the volume of trade between the two countries in 1957 and 1958 was insignificant.

Iraq has bilateral agreements - within the context of the afore-mentioned Arab League Conventions - with Jordan, Lebanon, Saudi Arabia and the United Arab Republic (Egypt). A new trade and payments agreement was signed with Syria in November 1961. In principle, this agreement provides for capital movements, labour permits for the nationals of the two countries, the creation of joint investment institutions, and - by reference to the payments agreement concluded with the United Arab Republic in October 1958 - establishes a credit ceiling of about \$1.5 million.

Iraq's agreement with Lebanon provides for commodity trade transactions within a credit ceiling of about \$280,000. The agreements concluded with Jordan and Saudi Arabia do not provide for credit ceilings.

All the above-mentioned agreements have a most favoured nation clause and provide schedules of agricultural and industrial products which either exempt such products from customs duties or subject them to reduced tariffs; these reductions range from 50 per cent to 75 per cent.

Iraq's trade with the Middle East 97/ is relatively small. Its regional imports, as a percentage of total imports, have shown a persistent decline, from 5.4 per cent in 1957 to 3.7 per cent in 1960. The value of its regional

95/ The figures and percentages in table 4-6 include crude and refined oil exports and imports. Such oil transactions are undertaken by the concessionary companies in the region. However, since, in most cases, these oil trade data could not be isolated from those of non-oil trade, they were included in the analysis.

96/ Data regarding Iran's regional trade in 1959 and 1960 are not available.

97/ Including crude oil exports to the region and purchases of the oil companies from the region, but excluding crude oil flow in the pipeline destined to the refinery in Syria.

Table 4-6. Middle East: Regional Trade, Selected Countries, 1957-1960
(Millions of dollars; percentage)

Country and item	1957		1958		1959		1960		
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	
<u>Cyprus:</u>									
Trade with Middle East countries	4.6	2.2	6.8	0.5	8.4	0.9	4.9	0.9	
Trade with Middle East countries as percentage of total trade	3.7	4.6	6.7	1.1	7.3	1.9	4.5	1.9	
<u>Iran:</u>									
Trade with Middle East countries	11.0	35.0	7.0	22.0	...	...	...	...
Trade with Middle East countries as percentage of total trade	3.3	9.6	1.6	5.4	...	...	...	...
<u>Iraq:</u>									
Trade with Middle East countries	18.0	37.0	12.0	52.0	12.0	34.0	14.0	...	
Trade with Middle East countries as percentage of total trade	5.4	10.3	4.0	9.2	3.6	5.6	3.7	...	
<u>Israel:</u>									
Trade with Middle East countries	4.6	11.0	6.3	5.5	9.0	12.5	8.0	10.7	
Trade with Middle East countries as percentage of total trade	1.1	7.8	1.5	3.9	2.1	7.0	1.6	5.0	
<u>Jordan:</u>									
Trade with Middle East countries	29.0	9.0	28.0	6.0	31.0	6.0	33.0	6.0	
Trade with Middle East countries as percentage of total trade	33.7	73.6	28.9	67.8	27.8	65.7	27.9	60.8	
<u>Lebanon:</u>									
Trade with Middle East countries	54.0	21.0	38.0	17.0	48.0	23.0	60.0	35.0	
Trade with Middle East countries as percentage of total trade	27.1	43.5	23.0	49.0	21.6	50.6	22.2	49.8	
<u>Syria:</u>									
Trade with Middle East countries	35.0	56.0	36.0	42.0	34.0	54.0	34.0	50.0	
Trade with Middle East countries as percentage of total trade	20.2	36.4	16.8	34.7	17.7	45.2	15.0	44.4	
<u>Turkey:</u>									
Trade with Middle East countries	22.0	14.0	17.0	13.0	30.0	33.0	23.0	35.0	
Trade with Middle East countries as percentage of total trade	5.5	4.0	5.4	5.4	6.4	9.3	4.8	10.8	
<u>UAR (Egypt):</u>									
Trade with Middle East countries	38.0	28.0	26.0	27.0	45.0	38.0	49.0	37.0	
Trade with Middle East countries as percentage of total trade	7.3	5.2	3.8	5.6	6.9	8.3	7.3	6.6	

Source: United Nations; Yearbook of International Trade Statistics, 1960, table 4 of individual countries, using the conversion factors appearing in table 1 of individual countries, except for Lebanon, for which the free rate of exchange was applied. The percentages are based on value data in national currencies.

exports fluctuated in absolute terms, but showed a consistent percentage decline in the period from 1957 to 1959. Its regional trade balance, however, showed a consistent surplus throughout this period. Over one half of its regional exports went to Aden and about one half of its regional imports were obtained from Syria and Lebanon. Trade with the remaining Middle East countries was negligible.

Israel's trade with the Middle East countries is confined to Cyprus, Iran and Turkey. Trade with Cyprus and Iran has been relatively small and the balance has been in favour of Israel. Trade with Turkey is governed by an agreement signed in 1950 which is renewable every year. Israel's exports to Turkey averaged about \$7.7 million annually and, with the exception of 1958, were fairly stable. Its imports from Turkey averaged about \$6.5 million annually and, except for 1960, showed a consistent rise. The balance of trade with Turkey has, with the exception of 1958, also been in favour of Israel.

Jordan is one of the few countries of the Middle East whose regional trade represents a high percentage of its total trade. Jordan's exports to the region, in the 1957-1960 period, constituted an annual average of 67 per cent of total exports, and its imports formed an annual average of 30 per cent of total imports. However, the percentage relationships of such regional exports and imports have been steadily declining. Moreover, with the exception of Kuwait, its trade balance has been unfavourable with all its trading partners in the region.

Jordan's two important trading partners in the Middle East are Lebanon and Syria. Its imports from Lebanon, in the 1957-1960 period, averaged about 40 per cent of its total imports, and its exports to Lebanon averaged about 23 per cent of its total exports. The corresponding percentages with Syria were 25 per cent for imports and 38 per cent for exports.

Lebanon's exports to the region constituted an annual average of 48 per cent of its total exports in the 1957-1960 period, and its imports from the region formed an annual average of 23 per cent of its total imports in the same period.

Lebanon's best trading partners in the region are Iraq, Jordan, Saudi Arabia and Syria. ^{98/} Its trade with Jordan and Syria was seriously interrupted in 1958 - as a result of prolonged disturbances in Lebanon - but was re-established with Jordan at a higher level in 1959 and 1960. Its imports from Syria in 1960, however, remained considerable short of the 1957 level.

Lebanon represents one of the few countries which has extensive trade ties with most of the countries of the region. However, its regional trade balance since 1957 has been consistently unfavourable.

Until 1959, Lebanon had bilateral trade and payments agreements with Iraq, Saudi Arabia and the United Arab Republic (Egypt). The agreement with Iraq was superseded by the Trade and Payments Conventions of the Arab League. The agreement with Saudi Arabia was terminated at the request of the Saudi Government, but this measure does not seem to have affected the volume of trade between the two countries. The 1956 agreement with the United Arab Republic (Egypt) - which

^{98/} A large percentage of Lebanon's imports from Iraq and Saudi Arabia represents crude oil imports.

included a list of exchangeable commodities and substantial reductions in or exemptions from customs duties for certain items - was expanded in 1957 to include a special exchange rate for Egyptian tourists.

Syria's commodity transactions with the Middle East countries in the period from 1957 to 1960 99/ represented an annual average of 40 per cent of its total exports and an annual average of 17 per cent of its total imports, and its regional balance of trade has been consistently favourable.

Syria's best trade partner in the region has been Lebanon. 100/ However, its trade with that country - in particular, its exports - has shown a consistent decline since 1957. Syria, like Lebanon, has extensive and fairly well-distributed regional trade.

Syria recently concluded two trade and payments agreements with Iraq and Saudi Arabia. The agreement with Iraq was concluded in November 1961. 101/ The agreement with Saudi Arabia, which was concluded in March 1962, has the same basic features as the one concluded with Iraq, but it also provides for reciprocal exemptions from import and export licensing and complete customs duty exemptions for all Saudi Arabian industrial products. As regards Syrian industrial products, on the other hand, full exemption is provided for textile fabrics, knitted articles and canned fruits and vegetables, while other industrial products enjoy a measure of preference under reduced duty rates.

Turkey's regional trade represents a small percentage of its total trade, averaging about 7 per cent of its exports and less than 6 per cent of its total imports in the 1957-1960 period. It has trade agreements with Israel, Iran and the United Arab Republic (Egypt), but its trade transactions with Israel are by far the most important. Turkey had relatively important trade dealings with other Middle East countries covering imports from Aden in 1960 (mostly refined oil products), exports to Lebanon in 1959 and 1960, imports from Saudi Arabia throughout this period, and exports to Syria in 1959 and 1960.

The exports and imports of the United Arab Republic (Egypt) with the Middle East countries formed a small percentage of its total trade, averaging slightly over 6 per cent of its total exports and imports in the period from 1957 to 1960. Except for 1958 - when its regional trade balance showed a small surplus - the United Arab Republic (Egypt) has consistently experienced a regional trade deficit.

99/ Including trade with the United Arab Republic (Egypt) throughout this period.

100/ Its trade with the United Arab Republic (Egypt) in 1959 and 1960 exceeded that with Lebanon.

101/ See the regional trade discussion on Iraq where the main features of this agreement were presented.

In addition to Syria - with which trade in 1959 and 1960 increased to about three times the 1958 level - Saudi Arabia constituted its second important trade partner.

As mentioned above, the United Arab Republic (Egypt) has a trade agreement with Turkey, but its commodity trade transactions with that country form a very small percentage of its total Middle East trade. The United Arab Republic (Egypt) also has trade agreements with Iraq, Lebanon and Saudi Arabia, all of which fall within the framework of the afore-mentioned Arab League Conventions.

STATISTICAL APPENDIX

Table I-1. Middle East: Land Use, by Country
(Thousands of hectares)

Item	Cyprus (1958)	Iran (1950)	Iraq (1955)	Israel (1959)	Jordan (1954)	Lebanon (1959)	Saudi Arabia (1952)	Syria (1959)	Turkey (1959)	UAR (Egypt) (1957)	Total
Total area	925	163,000	44,444	2,070	9,661	1,040	160,000	18,448	77,698	100,000	577,286
Agricultural area	527	26,760	6,332	1,199	1,633	278	92,970	10,857	53,972	2,610	197,138
Arable land and land under tree crops	434	16,760	5,457 ^{a/}	401	893	...	210	5,491	24,972	2,610	57,228
Irrigated	80	1,600	2,912 ^{a/b/}	126	32	71	...	476	1,988 ^{c/}	2,610	9,895
Permanent meadows and pastures	93	10,000	875 ^{a/d/}	798 ^{e/}	740	...	92,760	5,366	29,000	-	139,632
Forested land	171	19,000	1,770	73	525	92	400	449	10,584	1	33,065
Other area	227	117,240	36,342	798	7,503	670	66,630	7,142	13,142	97,389	347,083
Unused but potentially productive	31	33,000	12,100	...	400 ^{f/}	364	...	3,060	...	516	49,471
Built-on area, wasteland and other ...	196	84,240	24,242	798	7,103	306	66,630	4,082	13,142	96,873	297,612

Source: Food and Agriculture Organization of the United Nations, Production Yearbook, 1960 (Rome).

a/ 1952/53 agricultural and livestock census.

b/ Total area covered by irrigation schemes and irrigated by seasonal river flows.

c/ 1957.

d/ Including 644,000 hectares of uncultivable land grazed in spring season.

e/ Land suitable for natural pastures.

f/ For forests.

Table I-2. Acreage of Principal Crops, by Country
(Thousands of hectares)

Crop and country	Annual Average						
	1948/49-1952/53	1956/57	1957/58	1958/59	1959/60	1960/61 ^{a/}	1961/62 ^{a/}
<u>Wheat:</u>							
Cyprus	75	79	79	80	80 ^{b/}	...	...
Iran	2,080 ^{c/}	2,900	...	...	3,150	3,314	...
Iraq	936	1,314	1,456	1,533	1,490	1,271	1,352
Israel	34 ^{c/}	57	57	59	62	59	63
Jordan	182	325	280	...	170	100	...
Lebanon	70	70	70	60	66	54	65
Saudi Arabia ...	18 ^{b/d/}	43	45	...	...	...	...
Syria ^{e/}	994	1,537	1,495	1,460	1,422	1,549	1,315
Turkey ^{e/}	4,770	7,458	7,275	7,569	7,666	7,831	7,851
UAR (Egypt)	605	660	636	599	620	612	581
<u>Barley:</u>							
Cyprus	53	54	56	60	60 ^{b/}	...	...
Iran	757 ^{b/}	1,000	...	...	1,000	920	...
Iraq	934	1,171	1,240	1,157	1,091	1,038	1,034
Israel	52 ^{f/}	58	52	58	57	60	70
Jordan	62	109	95	75	50	34	...
Lebanon	20	19	21	18	20	12	17
Saudi Arabia ...	15 ^{d/}	23	24	...	...	...	...
Syria	369	636	813	769	727	742	728
Turkey	1,972	2,612	2,630	2,700	2,750	2,836	2,786
UAR (Egypt)	64	55	56	57	59	63	68
<u>Maize:</u>							
Iran	6 ^{f/}	8	...	...	...	...	...
Iraq	20	7	6	6	4	5	3
Israel	8 ^{c/}	7	8	6	3	2	2
Lebanon	7 ^{d/}	8	10	8	10	6	...
Saudi Arabia ...	15 ^{d/}	...	...	...	...	...	...
Syria	24	10	10	8	9	7	...
Turkey	598	721	709	690	700	695	705
UAR (Egypt)	660	771	743	821	781	765 ^{b/}	781 ^{b/}

(Table continued on following page)

Table I-2. (continued)

Crop and country	Annual Average 1948/49-1952/53	1956/57	1957/58	1958/59	1959/60	1960/61 ^{a/}	1961-62 ^{a/}
<u>Rye:</u>							
Turkey	493	642	655	665	657	670	652
<u>Oats:</u>							
Cyprus	5 ^{c/}	3	3	3	...	...	...
Israel	2 ^{c/}	1	1	1	1	1	1
Lebanon	1	1	1	...	...	...	...
Syria	8	5	6	5	5	3	3
Turkey	307	372	384	389	410	430	419
<u>Millet:</u>							
Iran	11 ^{f/}	...	...	...	...	17	...
Iraq	10	9	10	6	5	5	6
Syria	93	87	70	57	58	50	...
Turkey	74	77	70	60	58	52	49
<u>Sorghum:</u>							
Iran .....	...	...	...	...	...	11	...
Iraq .....	...	11	11	8	8	7	6
Israel	6	17	23	17	23	6	19
Jordan ^{g/}	22 ^{c/}	13	11	10	12	11	...
Lebanon	10 ^{c/}	6	5	4	3	2	...
UAR (Egypt)	191	201	189	178	196	162	...
<u>Rice (paddy):</u>							
Iran ^{b/}	220	280	250	223	300	302	...
Iraq	174	70	91	89	61	76	73
Saudi Arabia ...	2 ^{d/}	4	...	...	...	...	...
Syria	4	2	1	-	1	-	...
Turkey	31	42	70	59	45	42	59
UAR (Egypt)	256	290	307	218	306	297 ^{b/}	214

(Table continued on following page)

Table I-2. (continued)

Crop and country	Annual average 1948/49-1952/53	1956/57	1957/58	1958/59	1959/60	1960/61 ^{a/}	1961/62 ^{a/}
<u>Pulses:</u> ^{h/}							
Cyprus	10	12	12	12	12	...	...
Iran ^{b/}	84	85	85	85	85	...	...
Iraq	42	43	43	38	36	33	38
Israel	6	7	6	6	5	4	3
Jordan	25	33	36	34	30	23	...
Lebanon	9	8	9	8	8	7	8
Syria	108	124	137	169	126	78	78
Turkey	268	312	327	333	332	348	350
UAR (Egypt)	195	181	189	184	191	188	...
<u>Cotton lint:</u>							
Aden	1 ^{b/}	14	12	11	17	16	18 ^{b/}
Iran	133 ^{b/}	243 ^{b/}	243 ^{b/}	260 ^{b/}	300	325	324 ^{b/}
Iraq	29 ^{b/}	58	65	56	37	31	37
Israel .....	...	6	5	6	7	11	17
Syria	107	272	258	261	227	212	249 ^{b/}
Turkey	474	637	625	631	624	621	649 ^{b/}
UAR (Egypt)	761	694	764	800	739	787	834
<u>Sugar-beets:</u>							
Iran	34 ^{b/}	43 ^{b/}	46 ^{b/}	46 ^{b/}	48	39	...
Israel	-	1	2	3	4	6	...
Syria	1 ^{f/}	3	3	2	5	5	...
Turkey	50	120	144	140	165	203	135 ^{b/}
<u>Sugar-cane:</u>							
UAR (Egypt)	37	46	48	41	40	40	...

(Table continued on following page)

Table I-2. (continued)

Crop and country	Annual average						
	1948/49-1952/53	1956/57	1957/58	1958/59	1959/60	1960/61 ^{a/}	1961/62 ^{a/}
<u>Tobacco:</u>							
Iran	16 ^{b/}	21 ^{b/}	22 ^{b/}	19 ^{b/}	15	17	25 ^{b/}
Iraq	4	7	8	8 ^{b/}	10	13	10 ^{b/}
Israel	4 ^{b/}	3	3	4	5	4	4 ^{b/}
Lebanon	2 ^{b/}	3	3	4	4	4	4 ^{b/}
Syria	7	7	7	7	9	10	12 ^{b/}
Turkey	122	175	170	157	177	188	194 ^{b/}
<u>Oil-seeds:</u> ^{i/}							
Aden	4	16	19	13	19	19	...
Cyprus	7	5 ^{b/}	4	3 ^{b/}	4	...	...
Iran	147	268 ^{b/}	268 ^{b/}	285 ^{b/}	335	358	...
Iraq	58	86	99	87	55	49	...
Israel	4	14	16	15	18	23	...
Jordan	5	15	10	8	6	4	...
Lebanon	6	4	3	2	2	2	...
Syria	121	277	263	273	242	221	...
Turkey	707	927	903	905	904	882	...
UAR (Egypt)	792	736	802	838	780	831	...
<u>Grapes:</u>							
Cyprus	32 ^{c/}	30	29	30	...	...	...
Israel	7 ^{f/}	10	11	11	12	12	12
Jordan	11	16	16	18	18	19	...
Lebanon	21	22	22	22	23	23	...
Syria	67	72	69	71	68	66	...
Turkey	579	728	743	710	784	782	...
UAR (Egypt)	8	8	8	8	9	...	...

(Table continued on following page)

Table I-2. (continued)

Crop and country	Annual average 1948/49-1952/53	1956/57	1957/58	1958/59	1959/60	1960/61 ^{a/}	1961/62 ^{a/}
<u>Potatoes:</u>							
Cyprus	5 ^{f/}	5	5	5	...	...	...
Iran	4 ^{f/}	...	...	...	21	15	...
Iraq	2 ^{d/}	...	...	...	...	...	...
Israel	2 ^{c/}	5	5	5	4	4	4
Jordan .....	...	...	1	2	2	2	...
Lebanon	5	4	5	5	5	4	6
Syria	4	3	3	2	2	...	...
Turkey	79	110	119	137	148	160	168
UAR (Egypt)	13	14	14	...	22	...	...
<u>Onions:^{j/}</u>							
Cyprus	1 ^{f/}	-	-	-	...	...	...
Iraq .....	...	...	...	...	4	12	...
Israel	1 ^{d/}	2	2	2	2	2	...
Jordan ^{k/}	2 ^{l/}	3	3	3	4	3	...
Lebanon	3 ^{d/}	2	2	2	2	2	...
Syria	4	4	3	3	4	3	...
Turkey	43	56	65	51	56	57	...
UAR (Egypt)	30	48	56	58	66	...	...
<u>Tomatoes:</u>							
Cyprus	1 ^{f/}	1	1	1	...	...	...
Israel	3 ^{d/}	4	4	4	4	3	3
Jordan	7 ^{d/}	10	11	10	13	13	...
Lebanon	1 ^{d/}	2	2	2	2	2	...
Syria	7	10	11	10	11	8	...
UAR (Egypt)	28 ^{c/}	42	43	48	54	...	...

(Source and foot-notes on following page)

Source and foot-notes to table I-2.

Source: Food and Agriculture Organization of the United Nations, Production Yearbook, Monthly Bulletin of Agricultural Economics and Statistics (Rome); International Bank for Reconstruction and Development, Approach to the Economic Development of Saudi Arabia (Washington, D.C.), 1 November 1960; United States Department of Agriculture, Foreign Agricultural Service, Indices of Agricultural Production in Twelve Near East Countries (Washington, D.C.), November 1960, Foreign Crops and Markets (Washington, D.C.).

- a/ Preliminary figures.
- b/ Unofficial figures.
- c/ Average of four years.
- d/ Average of two years.
- e/ Including spelt.
- f/ Average of three years.
- g/ Including maize.
- h/ Dry beans, dry peas, broad beans, chick-peas and lentils.
- i/ Soya beans, ground-nuts, cotton-seed, linseed, sesame seed, sunflower seed and rape-seed.
- j/ Green and dry onions.
- k/ Including garlic.
- l/ 1952.

Table I-3. Number of Tractors used in Agriculture, by Country

Country	1955	1956	1957	1958	1959	1960	1961
Aden .....	...	...	390	418	444	467	...
Cyprus .....	...	...	2,010	2,265	...	...	...
Iran .....	...	...	...	...	6,000	...	...
Iraq	1,715	2,096	2,188	2,404	...	...	...
Israel	4,010	4,500	4,700	5,307	6,349	7,075	7,485
Jordan ^{a/}	367	439	566	664	807	883	...
Lebanon	160	195	224	440	580	...	...
Syria ^{b/}	1,786	2,074	2,792	3,406	3,772	4,754	...
Turkey	40,282	43,727	44,144	42,527	41,896	42,136	42,505
UAR (Egypt)	10,750 ^{c/}	...	12,086 ^{c/}	...	10,994	...	...

Source: Food and Agriculture Organization of the United Nations.

a/ Including those in disrepair.

b/ Tractors used for all purposes.

c/ Including garden tractors.

Table I-4. Consumption of Fertilizers,^{a/} by Country
(Thousands of tons of plant nutrients)

Type of fertilizer and country	1956/57	1957/58	1958/59	1959/60	1960/61 ^{b/}
<u>Nitrogenous (N):</u>					
Cyprus	3.6	6.4	5.2	5.9	6.0
Iran	0.6	1.6	3.1	5.7	7.6
Israel	11.6	14.8	15.7	16.9	...
Jordan <u>c/</u>	0.5	0.7	...	0.4	0.2
Lebanon	5.8	5.6	6.2	5.7	5.9
Syria	3.5	3.6	3.6	4.4	10.8
Turkey	10.8	13.4	21.8	20.3	22.1
UAR (Egypt) <u>c/</u>	115.2	157.3	177.1	105.7 <u>d/</u>	160.8
<u>Phosphoric acid (P₂O₅):</u>					
Cyprus	5.4	5.6	5.9	6.2	6.4
Iran	0.7	2.7	4.2	4.1	4.3
Israel	14.0	14.6	14.4	14.4	...
Jordan <u>c/</u>	0.4	...	...	0.5	1.2
Lebanon	4.7	6.9	2.5	2.0	2.0
Syria	0.7	0.8	1.1	1.4	8.1
Turkey	5.1	6.4	4.4	12.3	16.4
UAR (Egypt) <u>c/</u>	23.7	27.5	27.7	25.0	30.0
<u>Potash (K₂O):</u>					
Cyprus	0.3	0.3	0.6	0.7	0.6
Iran	0.3	0.5	0.4	1.0	1.5
Israel	2.5	2.7	2.0	2.1	...
Jordan <u>c/</u> .....	...	...	...	0.6	1.0
Lebanon	1.3	6.9	3.4	1.7	1.8
Syria	0.1	0.5	0.4	0.1	0.5
Turkey	6.1	0.3	4.1	4.8	0.1
UAR (Egypt) <u>c/</u>	0.1	1.5	2.3	...	1.0

Source: Food and Agriculture Organization of the United Nations.

a/ Fertilizer year beginning 1 July and ending 30 June, except for Jordan and UAR (Egypt).

b/ Preliminary figures.

c/ Calendar year ending in the first half of the period stated.

d/ The sharp drop in consumption is explained by the fall in imports of about 75,000 tons in 1959 and an increase in domestic production of only 3,775 tons.

Table I-5. Production of Principal Crops, by Country
(Thousands of tons)

Crop and country	Annual average						
	1948/49-1952/53	1956/57	1957/58	1958/59	1959/60	1960/61 ^{a/}	1961/62 ^{a/}
<u>Wheat:</u>							
Cyprus	48	82	80	81	65	54	...
Iran	1,860 ^{b/}	2,700	2,800 ^{b/}	2,700 ^{b/}	3,000	2,590	2,803 ^{b/}
Iraq	448	776	1,118	757	657	592	851
Israel	24 ^{c/}	74	83	62	74	41	63
Jordan	127	242	220	66	103	44	139
Lebanon	51	60	65	48	58	40	72
Saudi Arabia	15 ^{b/d/}	37	44	20	20	19	...
Syria	762	1,051	1,354	562	632	553	756
Turkey ^{e/}	4,771	6,510	8,419	8,671	7,987	8,590	7,135
UAR (Egypt)	1,113	1,547	1,467	1,412	1,443	1,499	1,436
Yemen .....	...	...	20	10	10	17	...
<u>Barley:</u>							
Cyprus	47	65	70	73	65 ^{b/}	41 ^{b/}	...
Iran ^{b/}	767	1,000	980 ^{b/}	950 ^{b/}	990	684	1,002
Iraq	722	1,016	1,305	954	733	804	900
Israel	44 ^{c/}	85	74	53	65	27	62
Jordan	52	96	81	17	26	13	...
Lebanon	25	21	24	18	24	11	19
Saudi Arabia	13 ^{d/}	23	27	25	27	26	...
Syria	321	462	721	228	218	157	334
Turkey	2,270	2,900	3,650	3,600	3,300	3,700	2,948
UAR (Egypt)	123	125	131	135	142	156	171
Yemen .....	...	...	2	1	1	2	...

(Table continued on following page)

Table I-5. (continued)

Crop and country	Annual average 1948/49-1952/53	1956/57	1957/58	1958/59	1959/60	1960/61 ^{a/}	1961/62 ^{a/}
<u>Maize:</u>							
Iran	6 ^{f/}	14	...	...	...	...	...
Iraq	14	6	5	5	2	3	...
Israel	7 ^{c/}	23	38	28	15	8	8
Jordan .....	...	...	9	6	10	4	...
Lebanon	12	14	17	14	19	13	...
Saudi Arabia	21 ^{d/}	...	32	30	33	33	...
Syria	31	15	15	10	12	9	...
Turkey	747	858	750	900	1,000	1,090 ^{b/}	1,017 ^{b/}
UAR (Egypt)	1,378	1,652	1,498	1,758	1,500	1,692 ^{b/}	1,481 ^{b/}
Yemen .....	...	...	20	15	15	18	...
<u>Rye:</u>							
Turkey	500	566	700	780	665	700	570
<u>Oats:</u>							
Cyprus	3	2	2	2	2	2	2
Israel	2	1	1	1	1	1	1
Lebanon	2	2	2	...	...	...	...
Syria	6	4	7	7	4	3	3
Turkey	326	382	475	480	479	530	435
<u>Millet:</u>							
Iran	17 ^{b/}	...	...	...	...	16	...
Iraq	13	6	7	4	4	3	...
Syria	65	75	52	50	42	29	...
Turkey	78	74	70	65	56	57	65

(Table continued on following page)

Table I-5. (continued)

Crop and country	Annual average						
	1948/49-1952/53	1956/57	1957/58	1958/59	1959/60	1960/61 ^{a/}	1961/62 ^{a/}
<u>Sorghum:</u>							
Iran .....	...	...	...	...	...	10	...
Iraq	-	...	15	9	8	7	...
Israel	4	26	38	34	41	16	34
Jordan g/	15 ^{c/}	10	9	6	7	3	...
Lebanon	10 ^{c/}	6	5	4	3	2	...
UAR (Egypt)	518	594	566	543	630	544	...
<u>Rice (paddy):</u>							
Iran	424 ^{b/}	440	480 ^{b/}	435	550	600	...
Iraq	203	111	154	137	92	118	115
Saudi Arabia ...	2 ^{d/}	4	3	4	4	4	...
Syria	13	6	2	1	2	-	...
Turkey	109	153	192	200	153	183	233 ^{b/}
UAR (Egypt)	971	1,573	1,709	1,082	1,535	1,486 ^{b/}	1,050 ^{b/}
<u>Pulses:</u>							
Cyprus	5	7 ^{b/}	7 ^{b/}	6	6	7 ^{b/}	...
Iran	57	55 ^{b/}	55 ^{b/}	55 ^{b/}	55 ^{b/}	55 ^{b/}	...
Iraq	26	35	34	22	27	25	32
Israel	1	5	3	3	3	1	2
Jordan	13	30	20	8	10	6	...
Lebanon	13	13	15	13	12	9	16
Syria	79	97	100	51	47	19	48
Turkey	263	307	331	369	391	400	363
UAR (Egypt)	314	262	315	258	346	348	...

(Table continued on following page)

Table I-5. (continued)

Crop and country	Annual average 1948/49-1952/53	1956/57	1957/58	1958/59	1959/60	1960/61 ^{a/}	1961/62 ^{a/}
<u>Cotton lint:</u>							
Aden	1 _{b/}	6	4 _{b/}	2 _{b/}	4	4	7 _{b/}
Iran	36 _{b/}	62	65 _{b/}	72 _{b/}	81	99	100 _{b/}
Iraq	4 _{b/}	8	14	7	4	8	...
Israel	-	3 _{b/}	4	5	7	11	14 _{b/}
Syria	30	93	107	97	98	111	111 _{b/}
Turkey	119	165	135	180	195	176	200
UAR (Egypt)	396	325	405	446	457	478	347
Yemen .....	...	...	3	3	2	3	...
<u>Sugar-beets:</u>							
Iran	350 _{b/}	604 _{b/}	727 _{b/}	730 _{b/}	700	588	...
Israel .....	..._{r/}	59	94	122	169	245	...
Syria	7 _{r/}	45	61	32	92	122	...
Turkey	966	2,000	2,198	2,338	3,469	4,385	...
<u>Sugar-cane:</u>							
Lebanon	6	9	8	8	3	3	...
UAR (Egypt)	2,185	4,130	4,230	3,798	3,859	4,075	...
<u>Tobacco:</u>							
Iran	12 _{b/}	14 _{b/}	14 _{b/}	12 _{b/}	8	11	13 _{b/}
Iraq	3	5	5	5	5 _{b/}	6 _{b/}	6 _{b/}
Israel	2	1	2	2	2	2	2
Lebanon	2 _{b/}	3	3	3	3	4 _{b/}	4 _{b/}
Syria	6	5	6	7	8	10 _{b/}	11 _{b/}
Turkey	91	116	123	115	129	135	127 _{b/}

(Table continued on following page)

Table I-5. (continued)

Crop and country	Annual average 1948/49-1952/53	1956/57	1957/58	1958/59	1959/60	1960/61 ^{a/}	1961/62 ^{a/}
<u>Olives:</u>							
Cyprus	10 ^{h/}	13	10	6	...	...	...
Iran ^{b/}	14	...	...	...	...	...	...
Iraq .....	...	...	10	10	9	9	...
Israel	6 ^{h/}	25	7	20	8	7	20
Jordan	23 ^{c/}	72	15	52	11	17	...
Lebanon	37 ^{c/}	55	13	42	18	30	...
Syria	61 ^{h/}	78	38	65	28	47	...
Turkey	269 ^{h/}	539	226	482	402	426	...
UAR (Egypt)	2 ^{c/}	3	7	5	7	7	...
<u>Dates:</u>							
Iran	125 ^{b/}	132 ^{b/}	104 ^{b/}	122 ^{b/}	113 ^{b/}	141 ^{b/}	100 ^{b/}
Iraq ^{i/}	313	349	323	324 ^{b/}	367 ^{b/}	337 ^{b/}	...
Saudi Arabia	182 ^{d/}	191	200	175	172	165	...
UAR (Egypt)	185 ^{c/}	369	364	335	332	335	...
<u>Citrus fruits:</u>							
Cyprus	34	50	73	65	60	63	...
Iran	47	44	45	45	46	40	...
Israel	302	439	436	588	588	515	...
Lebanon	75	108	116	131	160	165	...
Syria	4	7	4	5	6	12	...
Turkey	79	193	314	306	280	309	...
UAR (Egypt)	300	329	313	354	294	325	...

(Table continued on following page)

Table I-5. (continued)

Crop and country	Annual average 1948/49-1952/53	1956/57	1957/58	1958/59	1959/60	1960/61 ^{a/}	1961/62 ^{a/}
<u>Raisins:</u>							
Cyprus	5	7	7	2	6 ^{b/}	8 ^{b/}	...
Iran b/	41	62	65	63	61	45	66
Syria	8 ^{b/}	11	13	10	10	...	...
Turkey	126	186	53	65	100	75	94
<u>Figs (fresh basis):</u>							
Cyprus	3	3	3	3	...	...	...
Iran	6 ^{j/}	...	...	...	...	...	...
Israel k/	6 ^{a/}	9	10	12	12	14	15
Jordan	16 ^{a/}	13	15	14	21	18	...
Lebanon	13	19	20	18	17	14	17
Syria	42	49	51	49	40	31	...
Turkey	107	121	137	155	156	145	...
UAR (Egypt)	11	6	5	5	4	...	...
<u>Olive oil:</u>							
Cyprus	2 ^{h/}	2	2	1	2	1	...
Iran b/	1 ^{c/}	...	...	...	...	...	...
Israel	1 ^{c/}	4	1	4	2 ^{b/}	1	1
Jordan .....	...	6 ^{b/}	4 ^{b/}	2 ^{b/}	2	3	...
Lebanon	12 ^{c/}	14	1	10	3	6	7
Syria	9 ^{h/}	17	7	15	6	13 ^{b/}	12 ^{b/}
Turkey	48 ^{h/}	90	43	90	66	79	108 ^{b/}

(Table continued on following page)

Table I-5. (continued)

Crop and country	Annual average						
	1948/49-1952/53	1956/57	1957/58	1958/59	1959/60	1960/61 ^{a/}	1961/62 ^{a/}
<u>Oil-seeds:</u> ^{1/}							
Aden	2	12	12	4	7	8	...
Cyprus	1	1	1	1	-	-	...
Iran b/	64	139	145	157	196	250	...
Iraq	18	32	47	32	20	27	...
Israel	4	22	29	24	30	39	...
Jordan	2	4	4	2	3	2	...
Lebanon	4	4	3	2	3	2	...
Syria	71	177	191	174	181	193	...
Turkey	392	478	449	521	549	521	...
UAR (Egypt)	760	694	826	904	910	968	...
<u>Grapes:</u>							
Cyprus	59	88	91	70	70	75	...
Iran	254 ^{b/}	...	258	260	259	260	...
Israel	15	33	44	48	58	53	64
Jordan	27	37	47	43	54	43	...
Lebanon	81	66	75	80	85	70	...
Syria	172	194	241	198	218	198	...
Turkey	1,500	2,606	2,010	2,992	3,225	2,775	...
UAR (Egypt)	79	81	91	88	99	100	...
<u>Apples:</u>							
Cyprus	1 ^{f/}	1	1	1	1	...	...
Israel	2 ^{e/}	3	4	6	9	13	...
Jordan	2 ^{d/}	1	...	1	2	...	...
Lebanon	14	29	37	43	65	53	...
Syria	6	10	11	8	8	8	...
Turkey	102 ^{f/}	196	116	193	268	208	...
UAR (Egypt)	2 ^{f/}	3	2	2	3	3	...

(Table continued on following page)

Table I-5. (continued)

Crop and country	Annual average 1948/49-1952/53	1956/57	1957/58	1958/59	1959/60	1960/61 ^{a/}	1961/62 ^{a/}
<u>Pears:</u>							
Lebanon	6	8	6	5	6	3	8
Syria	2	2	3	2	2	1	...
Turkey	75 _{f/}	127	92	107	132	110	...
UAR (Egypt)	1 _{f/}	4	6	5	11	4	...
<u>Apricots:</u>							
Cyprus	-	1	1	1	1	...	...
Iran b/	72	71	71	61	64	32	...
Jordan .....	...	1	1	2	2	2	...
Lebanon	6 _{d/}	6	5	4	6	4	5
Syria	21	10	24	29	26	17	...
Turkey	45 _{f/}	71	70	65	104	43	...
UAR (Egypt)	6 _{f/}	8	7	6	6	...	...
<u>Bananas:</u>							
Israel	6 _{d/}	24	20	28	32	34	44
Jordan	5 _{d/}	8	8	13	14	7	...
Lebanon	16	27	28	28	21	26	...
UAR (Egypt)	39	48	48	61	61	65	...
<u>Potatoes:</u>							
Cyprus	45 _{f/}	49	47	52	60	47	...
Iran	37 _{d/}	...	...	...	165	89	...
Iraq	12 _{d/}	...	...	...	...	...	...

(Table continued on following page)

Table I-5. (continued)

Crop and country	Annual average 1948/49-1952/53	1956/57	1957/58	1958/59	1959/60	1960/61 ^{a/}	1961/62 ^{a/}
<u>Potatoes (continued):</u>							
Israel	35 ^{c/}	92	93	98	88	82	83
Jordan .....	...	...	12	14	16	17	...
Lebanon	43	36	40	38	45	29	50
Syria	31	25	32	21	14	28	...
Turkey	605	1,100	1,200	1,472	1,500	1,400	1,409
UAR (Egypt)	187	235	232	232	374	400	...
<u>Onions:^{m/}</u>							
Cyprus	5 ^{f/}	2	9	3	4	3	...
Iraq .....	...	...	...	...	22	63	...
Israel	8 ^{d/}	21	19	24	23	28	...
Jordan n/	10 ^{o/}	14	13	14	26	25	...
Lebanon	38 ^{d/}	37	35	36	33	23	...
Syria	41	31	35	32	28	33	...
Turkey	186	358	464	405	424	400	...
UAR (Egypt)	281	403	481	462	558	570	...
<u>Tomatoes:</u>							
Cyprus	5 ^{f/}	6	7	8	...	...	...
Israel	41 ^{a/}	93	81	104	103	110	93
Jordan	17 ^{a/}	52	65	74	126	156	...
Lebanon	26 ^{a/}	34	25	28	31	25	...
Syria	60	81	96	71	98	75	...
UAR (Egypt)	396 ^{c/}	583	604	701	770	...	...

(Source and foot-notes on following page)

Source and foot-notes to table I-5.

Source: Food and Agriculture Organization of the United Nations; International Bank for Reconstruction and Development, Approach to the Economic Development of Saudi Arabia, 1 November 1960; United States Department of Agriculture, Foreign Agricultural Service, Indices of Agricultural Production in Twelve Near East Countries, November 1960, and Foreign Crops and Markets.

- a/ Preliminary figures.
- b/ Unofficial figures.
- c/ Average of four years.
- d/ Average of two years.
- e/ Including spelt.
- f/ Average of three years.
- g/ Including maize.
- h/ 1947/48-1952/53.
- i/ Production is estimated on the basis of exports during the calendar years ending in the first half of the period stated, with an allowance made for local consumption.
- j/ 1948/49.
- k/ Including dates, avocados and other fruits.
- l/ Soya beans, ground-nuts, cotton-seed, linseed, sesame seed and sunflower seed.
- m/ Green and dry onions.
- n/ Including garlic.
- o/ 1952/53.

Table I-6. Animals and Animal Products, by Country

Country and item	1950	1956	1957	1958	1959	1960
<u>Cyprus:</u>						
Livestock ^{a/}	577	657	666	650	650 ^{b/}	650 ^{b/}
Meat ^{c/d/}	8	9	10	9	9 ^{b/}	9 ^{b/}
Milk ^{c/}	31	22	26	25 ^{b/}	25 ^{b/}	25 ^{b/}
Cheese ^{c/}	2	3 ^{b/}	3^{b/}	3^{b/}	3^{b/}	3^{b/}
Hen eggs ^{e/}	25	21 ^{b/}	22 ^{b/}	23 ^{b/}	23 ^{b/}	23 ^{b/}
Poultry (chickens) ^{f/}	417	...	...	...	...	...
<u>Iran:</u>						
Livestock ^{a/}	31,268	37,445 ^{b/}	39,470 ^{b/}	42,445 ^{b/}	46,705 ^{b/}	50,341 ^{b/}
Meat ^{b/c/d/}	121	216	231	231	240	240
Milk ^{b/c/} .....	...	1,765	2,120	2,120	2,120	2,120 ^{b/}
Wool ^{c/}	15	19	20	20	25	25 ^{b/}
Hen eggs ^{b/e/}	550	550	550	550	550	550
Poultry (chickens) ^{f/} .....	...	...	...	22,000	24,000	...
<u>Iraq:</u>						
Livestock ^{a/g/} .....	...	14,702	15,450	13,336	14,695	14,897
Meat ^{c/h/}	45	65 ^{b/}	70 ^{b/}	75 ^{b/}	82	87
Milk ^{c/} .....	...	827 ^{b/}	899 ^{b/}	899 ^{b/}	899 ^{b/}	899 ^{b/}
Cheese ^{c/} .....	...	14	15	17	17 ^{b/}	17 ^{b/}
Wool ^{c/}	14	15 ^{b/}	15 ^{b/}	14 ^{b/}	14 ^{b/}	13 ^{b/}
Hen eggs ^{e/}	158	160 ^{b/}	160^{b/}	160^{b/}	160^{b/}	160^{b/}
Poultry (chickens) ^{f/}	2,000 ^{i/}	...	...	...	...	...
<u>Israel:</u>						
Livestock ^{a/}	255	444	539	611	645	618
Meat ^{c/h/}	1	5	7	7	12	15
Milk ^{c/}	112	216	232	266	311	325
Butter ^{e/} .....	...	1	1	2	3	3
Beehives ^{f/}	28	41	43	44	46	48
Hen eggs ^{e/}	330	510	630	886	982	1,114
Poultry ^{f/}	4,790	5,150	5,750	7,600	8,800	...
Chickens	4,750	5,000	5,500	7,200	8,200	...
Other poultry	40	150	250	400	600	...

(Table continued on following page)

Table I-6. (continued)

Country and item	1950	1956	1957	1958	1959	1960
<u>Jordan:</u>						
Livestock ^{a/g/}	1,425 ^{b/}	1,227	1,503	1,421	1,392	1,392 ^{b/}
Milk ^{b/c/} .....	...	28	28	28	28	28
Hen eggs ^{b/e/}	29	32	33	34	34	34
Poultry ^{f/} .....	...	1,077	1,046	1,126	1,318	...
Chickens .....	...	1,050	1,015	1,099	1,294	...
Other poultry .....	...	27	31	27	24	...
<u>Lebanon:</u>						
Livestock ^{a/}	517 ^{b/}	605	574	669	882	882 ^{b/}
Meat ^{c/d/}	14 ^{b/}	21	20	22	23 ^{b/}	23 ^{b/}
Milk ^{c/} .....	...	5	5	5	5 ^{b/}	5 ^{b/}
Beehives ^{f/} .....	...	16	16	16	...	...
Hen eggs ^{e/}	30 ^{b/}	45	47	50	57	57
Poultry ^{f/} .....	...	1,800	1,850	2,000	3,500	...
<u>Syria:</u>						
Livestock ^{a/}	5,016	7,520	8,382	8,621	6,926 ^{b/}	6,926 ^{b/}
Meat ^{c/h/}	29	38	25	30 ^{b/}	47 ^{b/}	50 ^{b/}
Milk ^{c/}	349	378	430	420 ^{b/}	420 ^{b/}	420 ^{b/}
Cheese ^{c/} .....	...	12	15	11	7	7 ^{b/}
Butter ^{c/}	6	13	12	6	4	4 ^{b/}
Beehives ^{f/}	53	...	67	74	69	...
Hen eggs ^{e/}	91	155	146	138	105	105 ^{b/}
Poultry ^{f/}	2,681	3,045	3,330	3,190	3,504	...
Chickens	2,483	2,770	2,973	2,821	3,107	...
Other poultry	198	275	357	369	397	...
Hides and skins ^{f/j/} .....	...	1,043	1,128	1,237	1,261	...
Cattle .....	...	15	18	16	19	...
Calf .....	...	14	10	8	7	...
Sheep .....	...	814	850	1,085	1,072	...
Goat .....	...	200	250	128	163	...
Wool ^{c/}	8	10	11	10	11	8

(Table continued on following page)

Table I-6. (continued)

Country and item	1950	1956	1957	1958	1959	1960
<u>Turkey:</u>						
Livestock ^{a/}	54,559	65,341	68,488	72,095	76,505	76,125
Meat <u>c/h/</u>	88	154	157	135	144	172
Milk <u>c/</u>	3,173	3,657	3,335	4,178	4,404	4,192
Beehives <u>f/</u>	1,029	1,304	1,331	1,381	1,446	1,487
Hen eggs <u>e/</u>	920	1,166	1,193	1,238	1,304	1,323
Poultry <u>f/</u>	20,544	25,650	26,789	27,922	28,516	28,839
Chickens	19,344	24,196	25,315	26,320	26,850	27,164
Other poultry	1,200	1,454	1,474	1,602	1,660	1,675
Hides and skins <u>f/j/</u> .....	...	7,636	7,571	6,823	7,396	8,539
Cattle .....	...	975	1,014	805	809	839
Calf .....	...	307	299	228	290	395
Sheep .....	...	4,980	4,776	4,273	4,858	5,727
Goat .....	...	1,374	1,482	1,517	1,439	1,578
Wool <u>c/</u>	30	39	40	42	46	47
<u>UAR (Egypt):</u>						
Livestock ^{a/k/}	4,205 ^{1/}	5,897 ^{b/}	5,947	6,092 ^{b/}	6,528 ^{b/}	6,767 ^{b/}
Meat <u>c/d/</u>	177	230	234	217	216 ^{b/}	216 ^{b/}
Milk <u>c/</u>	1,163	1,082	1,093	1,091 ^{b/}	1,093 ^{b/}	1,093 ^{b/}
Beehives <u>f/</u>	452	580	594	...	...	...
Wool <u>c/</u>	4	3	3	2 ^{b/}	2 ^{b/}	2 ^{b/}
Hen eggs <u>e/</u>	455	706	756	800 ^{b/}	800 ^{b/}	800 ^{b/}
Poultry (chickens) <u>f/</u> .....	...	63,538	60,785	62,067	...	...

Source: Food and Agriculture Organization of the United Nations; United States Department of Agriculture, Foreign Agricultural Service, Indices of Agricultural Production in Twelve Near East Countries, November 1960.

(Foot-notes on following page)

Foot-notes to table I-6.

- a/ Thousands of head; data refer to agricultural years starting in the year shown.
- b/ Unofficial estimates.
- c/ Thousands of tons.
- d/ Beef, veal, pork, mutton and lamb.
- e/ Millions.
- f/ Thousands.
- g/ Animals registered for taxation.
- h/ Beef, veal, mutton and lamb.
- i/ 1948/49.
- j/ Raw and fresh.
- k/ Excluding camels.
- l/ 1961.

Table I-7. Daily Food Consumption per Person, Selected Countries
(Grammes, except as indicated)

Country and year	Calories (number)	Protein			Fats
		Total	Animal	Vegetable	
<u>Israel:</u>					
1956/57	2,850	88.1	31.3	56.8	80.2
1957/58	2,750	84.1	33.0	51.1	83.5
1958/59	2,810	83.6	33.2	50.4	85.1
1959/60	2,770	82.9	33.6	49.3	86.3
<u>Syria:</u>					
1957	2,330	78.0	16.8	61.2	37.0
<u>Turkey:</u>					
1956/57	2,800	88.0	15.0	73.0	50.0
1957/58	2,800	90.0	14.0	76.0	46.0
1958/59	2,850	90.0	15.0	75.0	51.0
<u>UAR (Egypt):</u>					
1956/57	2,570	74.1	12.9	61.2	39.4
1957/58	2,630	77.7	13.3	64.4	42.8
1958/59	2,520	72.9	11.8	61.1	39.8

Source: Food and Agriculture Organization of the United Nations.

Table II-1. Output of Electricity, Mining and Manufacturing Industries, Major Producing Countries
(Thousands of tons, except as indicated)

Product and country	1953	1956	1957	1958	1959	1960
<u>Electricity</u> (millions of kWh):						
Aden .. ^{a/}	16	107	112	119	132	144
Bahrain ^{a/}	12	30	30	40	45	50
Cyprus	27	139	174	202	221	236
Iran	492	600	660	720	907	1,070
Iraq ^{a/}	342	506	481	626	736	852
Israel ^{a/}	914 ^{b/}	1,410	1,416	1,766	1,968	2,312
Jordan .....	...	20	20	20	20	20
Kuwait ^{a/} .....	...	80	120	170	204	240
Lebanon	164	253	297	297	310	350
Saudi Arabia ^{a/} .....	...	160	170	180	200	220
Syria	205	315	262	293	346	368
Turkey	1,201	1,819	2,057	2,304	2,586	2,886
UAR (Egypt)	1,197	1,545	1,706	1,905	2,125	2,639
<u>Coal:</u>						
Iran ^{c/}	155	190	176	194	190	200
Turkey	3,664	3,718	3,969	4,075	3,941	3,653
<u>Iron ore</u> (iron content):						
Lebanon	15	14	19	11	10	...
Turkey	315	577	722	609	541	494
UAR (Egypt)	-	66	127	89	135	120
<u>Steel:</u>						
Turkey	163	193	176	160	214	266
UAR (Egypt)	58	95	100	108	130	120
<u>Copper ore</u> (Cu content):						
Cyprus ^{d/}	21	32	34	31	32	32
Turkey ^{d/}	24	25	24	23	25	26

(Table continued on following page)

Table II-1. (continued)

Product and country	1953	1956	1957	1958	1959	1960
<u>Manganese ore (Mn content):</u>						
Turkey	333	248	253	302	360	438
UAR (Egypt) ^{e/}	2	3	5	25	35	54
<u>Chrome ore (Cr₂O₃ content):</u>						
Cyprus	4	3	3	5	7	7
Iran ^{c/f/} .....	...	19	17	20	19	21
Turkey	438	403	446	298	207	218
<u>Phosphates:</u>						
Israel g/	23	116	152	210	205	...
Jordan h/	40	208	262	294	338	362
UAR (Egypt)	443	615	586	558	629	570
<u>Superphosphates:</u>						
Israel	33	96	108	98	94	82
Turkey	22	25	33	20	62	67
UAR (Egypt)	68	157	178	179	167	190
<u>Nitrogenous fertilizers</u> (nitrogen content): <u>h/</u>						
Israel	-	10	13	14	16	20
Turkey	1	1	1	1	1	...
UAR (Egypt)	19	27	32	34	38	40
<u>Sulphuric acid:</u>						
Israel	16	72	96	107	117	121
Turkey	20	18	22	20	22	23
UAR (Egypt)	40	80	89	92	93	103

(Table continued on following page)

Table II-1. (continued)

Product and country	1953	1956	1957	1958	1959	1960
<u>Cement:</u>						
Cyprus	-	37	68	83	83	88
Iran <u>i/</u>	53	224	313	410	579	782
Iraq <u>j/</u>	177	489	604	669	661	487
Israel	465	613	718	713	781	806
Jordan	-	79	107	114	110	165
Lebanon	314	488	561	506	744	854
Syria	224	326	315	408	447	489
Turkey	528	975	1,261	1,516	1,724	2,038
UAR (Egypt)	1,097	1,351	1,466	1,513	1,778	1,848
<u>Sugar: k/</u>						
Iran	78 <u>1/</u>	83	81	111	110	88
Israel	-	-	6	11	16	24
Syria	7	7	7	4	13	12
Turkey	189	301	348	380	495	618
UAR (Egypt)	229	312	321	329	353	361
<u>Beer (thousands of hectolitres):</u>						
Iraq <u>j/</u>	17	22	33	32	44	...
Israel	140	130	138	169	177	208
Lebanon	18	31	33	31	33	...
Syria	2	1	9	15	15	18
Turkey	218	281	314	337	346	315
UAR (Egypt)	84	100	99	107	109	110
<u>Alcohol (thousands of hectolitres):</u>						
Iraq <u>j/</u>	1	4	4	4	3	...
Syria <u>m/</u>	7	11	22	18	15	13
Turkey	75	133	147	197	187	161
UAR (Egypt)	122	146	156	176	156	157

(Table continued on following page)

Table II-1. (continued)

Product and country	1953	1956	1957	1958	1959	1960
<u>Wine (thousand of hectolitres):</u>						
Cyprus	179	128	112	156	...	...
Iraq <u>j</u> /	1	2	2	2	3	...
Israel	25	91	126	156	206	158
Syria	2	2	3	2	2	1
Turkey	63	95	84	50	95	124
UAR (Egypt) .....	...	...	38	22	32	35
<u>Arak (thousands of hectolitres):</u>						
Iraq <u>j</u> /	16	20	22	22	25	...
Israel	6	8	9	9	9	9
Syria	8	5	3	3	2	2
Turkey	39	48	64	66	75	51
<u>Cigarettes (millions):</u>						
Iran <u>c</u> /	5,772	6,616	6,117	7,158	7,438	8,260
Iraq <u>n</u>/ .....	...	...	3,334	3,533	4,223	4,435
Israel	2,020	2,125	2,220	2,270	2,440	2,565
Jordan	378	605	765	737	861	946
Lebanon	955	1,070	1,090	1,040	...	...
Syria	1,645	1,885	1,840	1,905	2,070	2,240
Turkey <u>o</u> /	20,540	23,720	26,560	30,690	26,130	...
UAR (Egypt) <u>p</u> /	9,200	9,726	9,882	10,058	10,147	...
<u>Tobacco (tons):</u>						
Iran <u>c</u> /	5,167	4,945	4,475	4,537	4,599	5,024
Iraq	7,202	5,217	4,944	5,228	11,175	...
Israel	64	74	77	81	83	84
Jordan	4	1	32	35	43	47
Lebanon	320	363	385	379	...	...
Syria	1,015	1,367	1,106	1,004	1,161	1,265
Turkey	23,268	25,800	29,100	32,556	29,496	30,156
UAR (Egypt) <u>p</u> /	3,800	4,006	4,296	4,186	5,288	...

(Table continued on following page)

Table II-1. (continued)

Product and country	1953	1956	1957	1958	1959	1960
<u>Cotton yarn:</u>						
Israel .....	...	6	7	9	9	10
Lebanon	3	5	4	...	4	...
Syria	7	8	8	9	10	10
Turkey	51	73	82	94	93	...
UAR (Egypt)	59	75	81	87	91	105
<u>Cotton fabrics:</u>						
Iran (millions of metres) .....	...	83	100	144	198	...
Israel q/ .....	...	4	5	7	7	7
Lebanon r/	2	5	5	...	...	...
Syria q/	16	18	21	22	23	24
Turkey (millions of metres) r/ ...	271	364	451	480	492	...
UAR (Egypt) (millions of metres) q/	322	414	453	477	499	530
<u>Paper and cardboard:</u>						
Israel	-	17	18	22	23	31
Turkey	20	45	54	58	58	56
UAR (Egypt)	20	32	39	41	42	49
<u>Rubber tires (thousands):</u>						
Israel	118	188	213	248	308	407
UAR (Egypt)	-	64	157	193	195	280

(Source and foot-notes on following page)

Source and foot-notes to table II-1.

Source: Statistical Office of the United Nations, Monthly Bulletin of Statistics; United Nations, Statistical Yearbook, World Energy Supplies and The Development of Manufacturing Industry in Egypt, Israel and Turkey (Sales No.: 58.II.B.4); United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), "Bulletin of Economic Development", No. 14 (Beirut, 1956) (mimeographed); International Sugar Council, Statistical Bulletin (London), December 1961; Iran: Ministry of Industry and Mines, Statistical Yearbook (Tehran), Bank Melli Iran, Balance Sheet (Tehran); Iraq: Ministry of Planning, Central Bureau of Statistics, Statistical Abstract (Baghdad), Yearbook of the Ministry of Industry, 1960-61 (Baghdad) (in Arabic); Israel: Central Bank of Statistics, Statistical Abstract of Israel (Jerusalem), Statistical Bulletin of Israel (English summary) (Jerusalem, June 1961); Jordan: Statistical Yearbook, 1960 (Amman), Quarterly Bulletin of Current Statistics, second quarter 1961 (Amman); Lebanon: Bulletin statistique trimestriel (Beirut), Statistical Bulletin for the months of January, February, March 1961 and April, May, June 1961 (Beirut); Syria: Ministry of Planning, Statistical Abstract (Damascus), General Bulletin of Current Statistics, third quarter 1961 (Damascus); Turkey: Central Statistical Office, Monthly Bulletin of Statistics (Ankara); UAR (Egypt): National Bank of Egypt, Economic Bulletin (Cairo), L'Egypte industrielle (Cairo), November 1960 and February 1961.

- a/ Including only enterprises generating electricity primarily for public use.
- b/ Two public utilities only.
- c/ Twelve months beginning 20 March of year stated.
- d/ Primarily metal production.
- e/ Production of manganese ore (metal content not available) containing less than 30 per cent Mn was (in thousands of tons): 1953, 277; 1956, 196; 1957, 76; 1958, 67; 1959, 67.
- f/ Exports.
- g/ P₂O₅ content: Israel, 24 to 28 per cent; Jordan, 34 per cent.
- h/ Twelve months beginning 1 July of year stated, except for UAR (Egypt), calendar years.
- i/ Excluding natural cement.
- j/ Twelve months beginning 1 April of year stated.
- k/ Production of centrifugal sugar from both beets and cane; figures are expressed in terms of raw sugar. Except where otherwise stated, data refer to calendar year.
- l/ Crop year, beginning in the year stated.
- m/ Data converted at the rate of one ton = 12.5 hectolitres.
- n/ Data converted at the rate of one gross = 480 cigarettes.
- o/ Production for domestic sales. Twelve months beginning 1 March of year stated.
- p/ Estimates for 1953. Based on imports of tobacco leaf and tobac.
- q/ Pure and mixed woven cotton fabrics.
- r/ Pure woven cotton fabrics.

Table II-2. Indices of Industrial Production,^{a/} Selected Countries
(1953 = 100)

Country and item	1955	1956	1957	1958	1959	1960
<u>Israel:</u> ^{b/}						
Minerals	100	144	219	279	369	434
Food	100	100	105	119	125	133
Textiles	100	101	117	125	136	160
Clothing and footwear	100	92	88	102	120	131
Wood-work	100	96	109	110	130	134
Printing and paper	100	94	96	107	121	142
Leather	100	108	113	53	58	62
Rubber products	100	89	117	131	158	175
Chemicals	100	101	113	116	129	152
Stone and cement	100	92	107	117	136	144
Diamonds	100	98	112	101	134	166
Metals	100	97	108	112	127	138
Machinery	100	112	110	112	136	152
Vehicles	100	116	137	174	195	225
Electrical appliances	100	108	120	138	162	197
General index of industrial production	100	101	113	124	141	160
<u>Turkey:</u>						
Food, beverages and tobacco ^{c/} ..	132	141	156	...	...	...
Coal mining	97	103	112	114	111	103
Metal mining	77	96	107	72	55	...
Sulphur	118	142	134	131	136	175 ^{d/}
Textiles	129	122	129	...	...	...
General index of industrial production	134	136	150	...	...	...
<u>UAR (Egypt):</u>						
Crude petroleum	89	81	104	140	139	...
Salt and phosphate	125	130	117	112	128	...
Food and tobacco ^{e/}	112	120	128	138	145	...
Textiles	116	126	134	147	152	...
Footwear	97	94	97	89	80	...
Furniture	131	157	139	153	158	...
Paper, cardboard and products thereof	142	154	172	206	211	...
Printing and periodicals	122	124	121	131	160	...
Tanning industry	124	121	105	99	114	...
Alcohol, soap and oils	111	116	118	138	140	...
Petroleum refineries	152	144	175	185	191	...
Basic metal industries	149	159	156	173	192	...
Motor-car repairs	122	121	122	134	131	...
General index of industrial production	117	125	132	143	149	...

Source: Statistical Office of the United Nations.

a/ Classified according to United Nations, International Standard Industrial Classification of all Economic Activities, Statistical Papers, Series M, No. 4 (Sales No.: 58.XVII.7).

b/ 1955 = 100.

c/ Sugar, beer, spirits, wine and tobacco.

d/ Provisional.

e/ Canning, fruit preserving, tobacco, edible oils and the like.

Table III-1. Proven Oil Reserves in the Middle East, by Country^{a/}
(Millions of barrels)

Country	Proven reserves	Percentage of world total
Bahrain	245	0.1
Iran	35,000	11.3
Iraq	26,500	8.6
Israel	34	-
Kuwait	62,000	20.0
Neutral Zone	6,000	1.9
Qatar	2,750	0.9
Saudi Arabia	52,000	16.8
Syria	100	-
Trucial Coast	3,500	1.1
Turkey	75	-
UAR (Egypt)	710	0.2
Middle East total	188,914	60.9
World total	309,975	100.0

Source: Oil and Gas Journal (Tulsa, Oklahoma), 29 January 1962.

a/ Estimates as of 1 January 1962.

Table III-2. Development Expenditures in the Oil Industry
(Millions of dollars, except as indicated)

Item	World total ^{a/}	Middle East total	Middle East total as percentage of world total
Gross fixed assets ^{b/}	104,550	4,175	4.0
Gross fixed assets in the production of crude oil and natural gas ^{c/}	49,750	1,800	3.6
Net fixed assets ^{d/}	57,050	2,400	4.2
Capital expenditures ^{e/}	89,975	3,040	3.4
Production	51,680	1,625	3.1
Pipelines	12,480	445	3.6
Refineries	14,165	530	3.7
Marketing	9,755	165	1.7
Other	1,895	275	1.5
Cost of expanding crude oil production ^{f/}	59,615	1,925	3.2
Average unit cost of maintaining and expanding production		0.16 ^{g/}	

Source: The Chase Manhattan Bank, Capital Investments by the World Petroleum Industry (New York), November 1961.

- a/ Comprising only the western hemisphere, western Europe, Africa, the Middle East, the Far East and unallocated (including foreign flag tankers).
- b/ Representing carrying values in property, plant and equipment before deduction of retirements as at 31 December 1960.
- c/ As at the close of 1960.
- d/ Including items in foot-note b/ after deduction of retirements; data refer to value of assets as at 31 December 1960.
- e/ Outlay for property, plant and equipment, including the cost of drilling dry holes and lease concession acquisitions, but excluding geological and geophysical expenses and least rentals for the period 1951-1960.
- f/ Including the cost of drilling dry holes, lease-concession acquisitions, geological and geophysical activities and lease rentals for the period 1951-1960.
- g/ United States cents per barrel of crude oil production. Average unit cost for maintaining and expanding production for other areas for the period 1951-1960 was 1.73 cents for the United States, 3.10 cents for Canada, 0.51 cents for Venezuela and 0.82 cents for the Far East.

Table III-3. Operating and Capital Expenditures by the Petroleum Industry in the Major Oil Producing Countries of the Middle East, 1948-1958

(Millions of dollars)

Year	Wages and salaries	Payments to local contractors	Purchase of local supplies	Imports	Other expenditures	Total
1948	98.3	37.7	12.2	266.3	53.8	468.3
1949	111.9	38.5	8.4	272.4	63.9	495.1
1950	108.8	22.2	3.4	98.6	63.6	296.6
1951	99.3	20.0	4.0	117.0	36.8	277.1
1952	68.9	22.3	4.7	163.1	10.6	269.6
1953	76.0	19.9	3.9	125.2	11.2	236.2
1954	82.2	18.3	4.6	80.1	11.8	197.0
1955	123.6	18.0	9.2	103.7	25.3	279.8
1956	136.5	28.7	12.5	182.1	27.6	387.4
1957	144.4	35.9	18.1	223.2	35.7	457.3
1958	151.9	52.8	26.2	202.8	57.0	490.7
Total	1,201.8	314.3	107.2	1,834.5	397.3	3,855.1

Source: Data provided by the oil companies operating in Iran, Iraq, Kuwait, Qatar and Saudi Arabia

Table III-4. Labour Force^{a/} in the Oil Industry, Selected Countries, 1955-1960

Country	1955	1956	1957	1958	1959	1960
Bahrain .....	...	...	...	8,455	7,763	7,684
Iran .....	...	55,234	56,247	57,309	57,005	55,028
Iraq	15,328	15,832	15,575	15,981	16,751	16,702
Kuwait	7,422	7,814	8,476	9,364	...	7,161
Saudi Arabia	20,397	19,632	18,325	17,171	16,257	14,834

Source: Bahrain: Bahrain Petroleum Company, Ltd., Annual Report (various issues);
Iran: National Iranian Oil Company, Department of Economics and Statistics, Petroleum Statistics (Teheran);
Iraq: Ministry of Planning, Central Bureau of Statistics, Statistical Abstract;
Kuwait: Annual Review of the Operations of Kuwait Oil Company Limited;
Saudi Arabia: Report of Operations to the Saudi Arabian Government by the Arabain American Oil Company (Dhahran) (various issues).

^{a/} Comprising staff and labourers.

Table III-5. Middle East Production of Crude Petroleum by Country, 1958-1961
(Thousands of tons; percentage)

Country	1958	1951	1960	1961	1961 percentage of Middle East total	Percentage change, 1961 over 1958
Bahrain	2,034	2,252	2,256	2,250	0.8	10.6
Iran	40,816	46,040	52,200	58,427	20.7	43.1
Iraq	35,670	41,736	47,459	48,809	17.3	36.8
Israel	88	126	127	134	0.05	52.2
Kuwait	70,217	69,528	81,864	82,675	29.3	17.7
Neutral Zone	4,311	6,208	7,290	8,389	3.0	94.6
Qatar	8,222	7,993	8,212	8,382	3.0	1.9
Saudi Arabia	50,131	54,163	62,068	69,115	24.5	37.9
Turkey	329	373	362	415	0.15	26.1
UAR (Egypt)	3,184	3,155	3,274	3,700 ^{a/}	1.3	16.2
Middle East total	215,002	231,574	265,112	282,296	100.0	31.3
World total	910,300	981,800	1,056,800	1,118,900		22.9
Middle East total as percentage of world total ...	23.6	23.6	25.1	25.2		

Source: United Nations, Statistical Yearbook, 1961 (Sales No.: 62.XVII.1) and Monthly Bulletin of Statistics, April 1962. For Israel, 1961, World Oil (Houston, Texas), 15 February 1962; for Iran and world total, 1961, Petroleum Press Service (London), April 1962.

a/ Annual figure based on first ten months.

Table III-6. World Production of Crude Petroleum, by Region
(Thousands of tons; percentage)

Region	1958	1959	1960	1961 ^{a/}	1961 percentage of world total	Percentage change, 1961 over 1958
Middle East	215,002	231,574	265,112	282,296	25.2	31.3
North America	353,320	372,900	373,963	384,200	34.3	8.7
Latin America	176,227	188,662	197,672	202,055	18.1	14.7
Eastern Europe ^{b/}	126,750	143,592	162,653	181,650	16.2	43.3
Far East ^{c/}	25,502	29,319	32,293	33,425	3.0	31.1
Western Europe	12,112	12,931	14,108	15,065	1.3	24.4
Africa	1,358	2,809	10,668	19,720	1.8	1,352.1
World total	910,300	981,800	1,056,800	1,118,900	100.0	22.9

Source: United Nations, Statistical Yearbook, 1961 and Monthly Bulletin of Statistics, April 1962; Petroleum Press Service, January 1962.

a/ Estimates.

b/ Including the Soviet Union and Yugoslavia.

c/ Including China (mainland).

Table III-7. Output of Major Refinery Products, by Country
(Thousands of tons; percentage)

Country and year	Motor spirits	Kerosene	Heavy oils a/	Total
<u>Aden:</u>				
1957	624	343	3,161	4,128
1958	553	376	2,723	3,652
1959	575	424	2,999	3,998
1960	591	338	3,142	4,071
1961, nine months b/	358	400	2,743	3,501
<u>Bahrain:</u>				
1957	1,305	949	6,458	8,712
1958	1,525	1,236	6,304	9,065
1959	1,653	1,118	6,121	8,892
1960	1,686	1,201	7,107	9,994
1961, nine months b/	1,232	948	5,473	7,653
<u>Iran:</u>				
1957	2,585	2,349	9,788	14,722
1958	2,684	2,411	9,359	14,454
1959	2,626	2,671	9,429	14,726
1960 b/	3,060	2,810	11,360	17,230
1961, nine months b/	1,649	1,842	7,239	10,730
<u>Iraq:</u>				
1957	216	223	1,114	1,553
1958	249	271	1,140	1,660
1959	256	244	1,185	1,685
1960	286	307	1,464	2,057
1961, nine months b/	220	259	920	1,399
<u>Israel:</u>				
1957	165	138	673	976
1958	190	176	744	1,110
1959	184	177	828	1,189
1960	207	178	920	1,305
1961, nine months b/	154	147	696	997
<u>Jordan:</u>				
1961, nine months b/	28	29	76	133
<u>Kuwait:</u>				
1957	58	22	1,345	1,425
1958	73	29	5,805	5,907
1959	106	39	7,552	7,697
1960	170	39	9,374	9,583
1961, nine months b/	111	37	6,354	6,502

(Table continued on following page)

Table III-7. (continued)

Country and year	Motor spirits	Kerosene	Heavy oils a/	Total
<u>Lebanon:</u>				
1957	179	107	731	1,017
1958	110	72	516	698
1959	115	65	519	699
1960	110	72	501	683
1961, nine months b/	77	48	405	530
<u>Neutral Zone:</u>				
1957	-	-	-	-
1958	-	-	468 c/	468
1959	-	-	1,445 c/	1,445
1960	-	-	1,545 c/	1,545
1961, nine months b/	-	-	1,418 c/	1,418
<u>Qatar:</u>				
1957	-	-	-	-
1958	7	3	10	20
1959	8	3	14	25
1960	8	3	17	28
1961, nine months b/	5	3	16	24
<u>Saudi Arabia:</u>				
1957	1,048	902	7,259	9,209
1958	882	1,083	5,889	7,854
1959	959	1,024	6,238	8,221
1960	1,184	1,089	8,364	10,637
1961, nine months b/	877	913	6,688	8,478
<u>Syria:</u>				
1957	-	-	-	-
1958	-	-	-	-
1959	39	28	180	247
1960	107	97	491	695
1961, nine months b/	101	91	439	631
<u>Turkey:</u>				
1957	62	-	173	235
1958	66	-	193	259
1959	76	-	215	291
1960	72	-	207	279
1961, nine months b/	60	4	164	228

(Table continued on following page)

Table III-7. (continued)

Country and year	Motor spirits	Kerosene	Heavy oils <u>a/</u>	Total
<u>UAR (Egypt):</u>				
1957	289	277	2,428	2,994
1958	332	295	2,391	3,018
1959	341	291	2,496	3,128
1960	306	369	3,322	3,997
1961, nine months <u>b/</u>	164	271	2,758	3,193
<u>Middle East total:</u>				
1957	6,531	5,310	33,130	44,971
1958	6,671	5,952	35,542	48,165
1959	6,938	6,084	39,221	52,243
1960	7,787	6,503	47,814	62,104
1961, nine months <u>b/</u>	5,036	4,992	35,389	45,417
<u>World total: <u>d/</u></u>				
1957	221,200	48,300	401,100	670,600
1958	229,800	52,900	407,400	690,100
1959	240,100	57,900	443,200	741,200
1960	249,500	63,000	479,100	791,600
1961, nine months <u>b/</u>	202,315	48,893	360,883	612,091
<u>Middle East total as percentage of world total:</u>				
1957	3.0	11.0	8.3	6.7
1958	2.9	11.3	8.7	7.0
1959	2.9	10.5	8.8	7.0
1960	3.1	10.3	10.0	7.8
1961, nine months <u>b/</u>	2.5	10.2	9.8	7.4

Source: United Nations, Statistical Yearbook, 1961; United States Department of the Interior, Bureau of Mines, World Petroleum Statistics (Washington, D.C.).

a/ Distillate and residual fuel oils.

b/ Provisional.

c/ Residual fuel oil only.

d/ 1957-1960, excluding the Soviet Union and China (mainland); 1961 (nine months), excluding eastern Europe, the Soviet Union and China (mainland).

Table III-8. Production, Trade and Consumption of Refined Oil Fuels
(Millions of tons)

Country and year	Production	Net imports	Bunkers	Consumption
<u>World:</u>				
1957	796.77	- 6.49	71.28	711.23
1958	826.50	-10.64	67.21	755.68
1959	897.09	-13.09	68.86	812.09
1960	965.24	-15.58	75.35	878.65
<u>Middle East:</u>				
1957	46.17	-22.63	9.06	14.50
1958	49.40	-23.71	10.63	15.26
1959	53.52	-25.36	10.88	17.25
1960	62.16	-30.24	12.46	19.65
<u>Aden:</u>				
1957	4.13	- 1.77	2.14	0.27
1958	3.65	- 0.22	3.47	0.15
1959	4.00	- 0.51	3.34	0.18
1960	4.07	- 0.46	3.62	0.19
<u>Bahrain:</u>				
1957	9.01	- 7.59	0.90	0.52
1958	9.37	- 8.06	0.79	0.52
1959	9.24	- 7.93	0.75	0.56
1960	10.14	- 8.73	0.74	0.67
<u>Cyprus:</u>				
1957	-	0.35	-	0.34
1958	-	0.30	-	0.30
1959	-	0.30	-	0.29
1960	-	0.31	-	0.31
<u>Iran:</u>				
1957	15.60	-11.22	1.51	2.87
1958	15.32	-10.55	1.61	3.16
1959	15.62	-10.39	1.61	3.62
1960	17.24	-11.61	1.63	3.99

Table III-8. (continued)

Country and year	Production	Net imports	Bunkers	Consumption
<u>Iraq:</u>				
1957	1.55	-	0.02	1.53
1958	1.66	-	0.02	1.63
1959	1.69	-	0.02	1.66
1960	2.06	-	0.02	2.03
<u>Israel:</u>				
1957	0.98	0.48	0.08	1.37
1958	1.11	0.45	0.07	1.49
1959	1.19	0.41	0.07	1.52
1960	1.30	0.53	0.07	1.76
<u>Jordan:</u>				
1957	-	0.14	-	0.14
1958	-	0.15	-	0.15
1959	-	0.20	-	0.20
1960	-	0.22	-	0.22
<u>Kuwait:</u>				
1957	1.42	1.39	2.54	0.28
1958	5.91	-2.73	2.66	0.51
1959	7.70	-3.87	2.62	1.21
1960	9.58	-4.80	3.43	1.35
<u>Lebanon:</u>				
1957	1.02	-0.24	0.21	0.56
1958	0.74	-0.05	0.16	0.53
1959	0.71	0.17	0.21	0.67
1960	0.69	0.21	0.21	0.68
<u>Neutral Zone:</u>				
1957	-	0.02	-	0.02
1958	0.47	-0.29	0.10	0.08
1959	1.44	-0.90	0.15	0.39
1960	1.54	-0.73	0.44	0.37

Table III-8. (continued)

Country and year	Production	Net imports	Bunkers	Consumption
<u>Qatar:</u>				
1957	-	0.05	-	0.05
1958	0.02	0.03	-	0.05
1959	0.02	0.03	-	0.06
1960	0.03	0.03	-	0.06
<u>Saudi Arabia:</u>				
1957	9.22	-6.89	1.55	0.78
1958	7.86	-5.60	1.50	0.77
1959	8.23	-5.64	1.77	0.82
1960	10.66	-7.80	1.91	0.95
<u>Syria:</u>				
1957	-	0.59	-	0.59
1958	-	0.64	-	0.66
1959	0.25	0.58	0.01	0.78
1960	0.69	0.17	0.01	0.88
<u>Turkey:</u>				
1957	0.24	1.08	0.03	1.28
1958	0.26	1.24	0.03	1.47
1959	0.29	1.01	0.03	1.27
1960	0.28	1.20	0.03	1.45
<u>UAR (Egypt):</u>				
1957	3.00	0.97	0.08	3.89
1958	3.03	0.97	0.22	3.78
1959	3.14	1.16	0.30	4.00
1960	3.88	1.20	0.35	4.72

Table III-8. (continued)

Country and year	Production	Net imports	Bunkers	Consumption
<u>Yemen:</u>				
1957	-	0.01	-	0.01
1958	-	0.01	-	0.01
1959	-	0.02	-	0.02
1960	-	0.02	-	0.02

Source: United Nations, World Energy Supplies, 1957-1960.

Table III-9. Consumption of Total Energy, Aggregate and Per Capita, by Country
 (Aggregate consumption in thousands of tons of coal equivalent; per capita
 consumption in kilogrammes)

Country	1957		1958		1959		1960	
	Aggregate	Per capita						
Aden	400	511	230	285	260	331	290	355
Bahrain	770	5,528	790	5,614	840	5,978	1,010	6,730
Cyprus	520	953	450	814	440	786	460	829
Iran	5,430	282	5,920	300	6,830	338	7,550	366
Iraq	2,300	351	2,450	372	2,490	358	3,050	430
Israel	2,090	1,079	2,250	1,124	2,310	1,121	2,670	1,266
Jordan	210	140	230	145	290	179	320	190
Kuwait	410	...	770	...	1,810	...	2,020	...
Lebanon	870	531	820	497	1,030	602	1,050	596
Neutral Zone	30	...	120	...	590	...	560	...
Qatar	70	1,875	70	1,875	90	2,250	90	2,250
Saudi Arabia	1,170	192	1,150	188	1,230	199	1,430	229
Syria	890	223	1,000	239	1,180	270	1,320	289
Turkey	6,550	257	7,040	268	6,580	243	6,550	237
UAR (Egypt)	6,020	248	5,940	239	6,080	239	7,290	281
Yemen	10	2	20	4	30	6	30	6
Middle East total	27,740	285	29,250	294	32,080	314	35,690	342
World total	3,535,890	1,262	3,714,820	1,298	3,937,520	1,345	4,235,650	1,405

Source: United Nations, World Energy Supplies, 1957-1960.

Table III-10. Middle East: Direction of Crude Petroleum Exports, by Country
(Thousands of tons)

Region and year	Total, Middle East	Iran	Iraq	Kuwait ^{a/}	Qatar	Saudi Arabia
<u>World:</u>						
1957	144,000	19,200	20,350	58,660	6,470	39,130
1958	176,400	24,200	33,800	67,300	8,250	41,740
1959	189,100	28,750	39,500	66,560	7,980	45,440
1960	216,000	33,420	45,200	77,840	8,140	50,540
<u>Other Middle East:</u>						
1957	14,700	3,400	1,710	2,000	160	7,420
1958	13,750	2,500	2,300	1,220	300	7,390
1959	13,950	1,460	1,830	2,640	60	7,960
1960	16,260	2,020	1,140	3,100	120	9,880
<u>Western Europe:</u>						
1957	83,000	8,730	13,300	35,450	4,220	21,000
1958	109,900	14,600	26,900	42,150	5,480	19,600
1959	119,700	18,600	31,810	40,180	5,420	22,650
1960	135,100	21,230	37,220	48,250	4,680	23,040
<u>Far East:</u>						
1957	20,650	3,980	4,600	5,370	500	6,210
1958	18,400	2,150	3,320	5,710	270	6,980
1959	22,500	3,060	4,460	7,710	70	7,200
1960	28,880	3,520	5,380	12,400	120	7,470
<u>North America:</u>						
1957	14,800	700	730	10,350	290	2,700
1958	21,700	900	1,230	13,900	200	5,440
1959	21,360	2,080	1,200	12,600	70	5,420
1960	22,810	3,740	1,090	10,820	780	6,240
<u>Oceania:</u> ^{b/}						
1957	5,320	1,660	-	1,860	1,300	500
1958	6,350	2,600	-	1,000	1,950	740
1959	6,420	2,290	-	1,070	2,370	690
1960	7,570	1,620	380	1,600	2,450	1,520
<u>Other America:</u>						
1957	4,260	-	-	3,440	-	820
1958	4,090	-	-	3,280	-	810
1959	3,400	-	-	2,360	-	1,040
1960	2,810	-	-	1,660	-	1,150
<u>Africa:</u> ^{c/}						
1957	1,070	720	-	-	-	350
1958	1,300	1,300	-	-	-	-
1959	1,290	1,230	-	-	-	60
1960	1,300	1,300	-	-	-	-

Source: United Nations, World Energy Supplies, 1957-1960.

a/ Including exports of the Neutral Zone.

b/ Imports of Australia.

c/ Mainly imports of South Africa.

Table III-11. Middle East: Published Export Prices for Crude Oil^{a/}
(Dollars per barrel)

Item	API Gravity	January 1959	February 1959 ^{b/}	March 1962 ^{c/}
Arabia, ex Sidon	34.0-34.9 ^o	2.49	2.27	2.17
Arabia, ex Ras Tanura	34.0-34.9 ^o	2.08	1.90	1.80
Arabia (Khursaniyah), ex Ras Tanura	31.0-31.9 ^o			1.59
Arabia (Safaniya), ex Ras Tanura	27.0-27.9 ^o	1.65	1.50	1.47
Qatar, ex Umm Said	41.0-41.9 ^o	2.23	2.05	1.95
Iraq, ex Tripoli and/or Baniyas				
Jampur/Bai Hassan Blend.....	34.0-34.9 ^o			2.07
Other North Iraq.....	36.0-36.9 ^o	2.49 ^{d/}	2.31 ^{d/}	2.21
Iraq-Basrah, ex Fao	35.0-35.9 ^o	1.98	1.80	1.72
Kuwait, ex Mena al Ahmadi	31.0-31.9 ^o	1.85	1.67	1.59
Iran Light, ex Bandar Mashur	34.0-34.9 ^o	2.04	1.86	1.78
Iran Light, ex Abadan	34.0-34.9 ^o	1.99	1.81	1.73
Iran Heavy/Medium, ex Abadan	31.0-31.9 ^o	1.80	1.62	1.58
Iran Gach-Saran, ex Kharg Island	31.0-31.9 ^o			1.63

Source: Petroleum Press Service.

^{a/} Prices are f.o.b., excluding local port or government charges.

^{b/} Prices effective as of 13 February 1959.

^{c/} Prices effective as of 9 August 1960.

^{d/} Kirkuk.

Table III-12. Direct Payments by Petroleum Companies to Governments, by Country
(Millions of dollars)

	Bahrain	Iran	Iraq	Kuwait ^{a/}	Qatar	Saudi Arabia ^{a/}	Total
1950	2	91 ^{b/}	19	12	1	113	238
1951	3	50 ^{b/}	43	18	4	165	283
1952	4	-	116 ^{c/}	57	10	212	399
1953	5	-	162 ^{d/}	169	18	226	580
1954	11	9	192	194	29	281	716
1955	9	91	207	282	34	275	898
1956	10	153	194	293	36	283	969
1957	10	213	137	308	45	303	1,016
1958	12	272 ^{e/}	224	354	60 ^{f/}	302	1,224
1959	13	262	243	409 ^{g/}	53	294 ^{h/}	1,274
1960	13	285	267	409 ^{g/}	54	332 ^{h/}	1,360
1961 .....	...	290	265	454 ^{g/}	...	...	...

Source: Bahrain: for 1950-1959, United Nations, Economic Developments in the Middle East, 1958-1959 (Sales No.: 60.II.C.2); for 1960, John Murray, "Oil Revenues and Middle East Economies I", The Petroleum Times (London), 1 December 1961.

Iran: for 1950-1951, Anglo-Iranian Oil Company, Ltd., Annual Report and Accounts for the years 1950 and 1951 (London); for 1954-1960, The National Iranian Oil Company; for 1961, Petroleum Press Service, March 1962.

Iraq: for 1950, operating companies in Iraq; for 1951-1961, Petroleum Press Service, November 1961 and February 1962.

Kuwait: for 1950-1958, United Nations, Economic Developments in the Middle East, 1958-1959; for 1959-1961, operating companies in Kuwait.

Qatar: for 1950-1958, The Qatar Petroleum Company, Ltd.; for 1959 and 1960, John Murray, "Oil Revenues and Middle East Economies I", op. cit.

Saudi Arabia: for 1950-1958, United Nations, Economic Developments in the Middle East, 1958-1959; for 1959 and 1960, data obtained from the Arabian American Oil Company.

a/ Including the Neutral Zone.

b/ Including additional payments due to Iran under the supplemental agreement of July 1949.

c/ Including \$21 million in settlement of previous claims.

d/ Including \$19.6 million in settlement of previous claims; actual payment made in 1957 and 1958.

e/ Including \$25 million bonus paid by the Pan American Oil Company to the Iranian Government.

f/ Including \$3.3 million in settlement of previous claims.

g/ Excluding revenue from the Neutral Zone.

h/ Excluding revenues from the Neutral Zone estimated at \$12 million for 1959 and \$14 million for 1960.

Table III-13. Revenue from Oil Transport in the Middle East, by Country
(Millions of dollars)

Year	Syria ^{a/}	UAR (Egypt) ^{b/}	Lebanon ^{c/}	Jordan
1950	0.4	9.5	0.1	0.3
1951	0.6	11.5	0.3	0.6
1952	0.7	10.6	1.4	1.4
1953	3.6	10.1	0.7	1.0
1954	2.2	12.9	1.1	1.0
1955	2.9	17.6	2.4	1.0
1956	15.8	...	1.4	1.0
1957	9.1	48.0	1.4	1.0
1958	15.5	84.1	1.4	1.0
1959	23.8	87.0	7.4	1.0
1960	26.7	101.0	13.3	1.0
1961	25.6	102.0	4.1	10.0 ^{d/}

Source: Estimates of the Resources and Transport Branch of the United Nations Secretariat.

a/ Syrian pounds converted to dollars at the rate of 3.8 to the dollar for 1950-1952 and of 3.6 thereafter.

b/ For 1950-1955, total annual payments to the Egyptian Government by the Suez Canal Company; for 1957-1961, estimated receipts from dues on total net tonnage of tankers passing through the Suez Canal.

c/ Lebanese pounds converted to dollars at the rate of 3.7 to the dollar for 1950-1952 and of 3.2 thereafter.

d/ Payment by Tapline in settlement of all claims prior to 1 November 1961.

Table IV-1. Major Exports, excluding Petroleum, by Country
(Millions of indicated currency units)

Country and item	1956	1957	1958	1959	1960	1960 (first half)	1961 (first half)
<u>Cyprus:</u>							
Total exports ^{a/} (Cyprus pounds)	20.9	17.3	16.1	16.9	16.6	9.3	8.8
Fruits and vegetables	3.6	3.6	3.9	4.4	4.4	2.8	3.4
Carobs, whole and kibbled	0.9	0.7	0.8	0.9	0.8	0.5	0.2
Metalliferous ores and metal scrap	8.5	5.8	4.7	6.1	6.3	3.6	2.6
Iron pyrites	3.8	3.4	3.1	1.9	2.2	1.1	1.2
<u>Iran:</u> ^{b/}							
Total exports (rials)	7,931	8,353	7,941	7,700	6,616	2,657 ^{c/}	2,734 ^{c/}
Raisins, almonds and pistachio nuts	1,015	1,079	1,176	941)	970	421	381
Dates, other fruits and nuts	304	414	418	235)			
Hides and skins, raw	288	291	392	415	348	200	206
Cotton, raw	1,677	1,903	1,125	1,505	1,911	226	361
Wool, raw	667	555	695	381	210	99	99
Carpets, woollen	1,260	1,480	1,325	1,508	1,721	947	932
<u>Iraq:</u>							
Total exports (Iraqi dinars)	13.2	12.9	14.5	11.6	8.0	3.7	3.8
Dates	2.5	3.4	2.9	4.0	4.0	1.7	1.5
Barley	5.0	3.0	4.8	0.8	-	-	0.1
Cotton, raw	0.8	1.0	1.3	1.5	0.3	0.3	0.1
Wool, raw	1.6	1.5	0.9	1.6	0.9	0.4	0.4
Hides and skins	0.3	0.4	0.3	0.5	0.6	0.4	0.3
Livestock	0.4	0.4	0.6	0.1	-	-	-
Cement	0.1	0.7	0.4	0.7	0.6	0.3	0.5
<u>Israel:</u>							
Total exports (US dollars)	107	141	141	179	217	120	138
Citrus fruits	41	48	48	46	47	42	37
Other agricultural products	3	6	9	12	17	6	12
Textile goods	6	8	9	11	18	8	12
Tires	4	5	6	6	8	3	4
Other industrial products	28	38	35	57	66	32	37
Diamonds	25	36	34	47	61	29	36

(Table continued on following page)

Table IV-1. (continued)

Country and item	1956	1957	1958	1959	1960	1960 (first half)	1961 (first half)
<u>Jordan:</u>							
Total exports (Jordanian dinars)	4.4	4.3	3.1	3.1	3.5	1.8	2.0
Vegetables and fruits	1.7	1.9	1.5	1.5	1.4	0.5	0.8
Phosphates	0.7	0.9	1.0	1.0	1.3	1.0	0.7
<u>Lebanon:</u>							
Total exports (Lebanese pounds)	145.8	152.2	110.5	139.1	218.0	...	...
Vegetables and fruits	43.7	44.6	37.6	43.7	39.9	...	...
Hides and skins, raw	6.2	6.4	5.8	6.3	6.5	...	...
Cotton, raw and wool in lump	9.4	9.9	6.3	8.2	6.2	...	...
Precious metals	24.8	26.7	12.7	16.9	19.6	...	...
<u>Syria:</u> ^{d/}							
Total exports (Syrian pounds)	502	544	415	349	334	165	216
Livestock	33	7	12	17	21	11	5
Vegetable products	172	197	98	31	23	11	10
Skins, hides and leather	5	5	7	10	8	4	3
Silk and artificial silk	24	26	19	18	17	8	6
Wool, raw	34	30	26	32	18	9	8
Cotton, raw	149	189	171	169	175	88	151
<u>Turkey:</u>							
Total exports (Turkish liras)	854	967	692	991	2,887 ^{e/}	1,417 ^{e/}	1,260
Cereals and cereal products	82	7	31	117	72	45	8
Fruits and vegetables	160	202	161	196	717	305	192
Animals and animal products	37	31	19	40	180	67	90
Industrial raw materials and equipment .	390	566	343	487	1,207	675	634
Mining	132	115	90	66	289	148	118
<u>UAR (Egypt):</u> ^{d/}							
Total exports (Egyptian pounds)	142	172	164	154	192	148 ^{f/}	134 ^{f/}
Cotton, raw	99	124	110	110	135	105	90
Cotton, yarn and fabrics	9	9	11	12	16	13	10
Onions (raw, dehydrated)	5	3	4	5	4	3	4
Rice	9	12	14	1	10	7	6

(Source and foot-notes on following page)

Source and foot-notes to table IV-1.

Source: United Nations, Yearbook of International Trade Statistics, 1959, vol. I (Sales No.: 60.XVII.2/vol. I); Cyprus: Imports and Exports Statistics (Nicosia); Iran: Iran Press (Tehran), 21 November 1960, 4 December 1961 and 26 February 1962; Iraq: Quarterly Bulletin of Statistics (Baghdad); Israel: Statistical Bulletin of Israel (Foreign Trade) (Jerusalem); Jordan: Quarterly Bulletin of Current Statistics (Amman); Lebanon: Bulletin statistique trimestriel (Beirut), Le Commerce du Levant (Beirut), 26 July 1961; Syria: Monthly Summary of Foreign Trade (Damascus); Turkey: Monthly Bulletin of Statistics; UAR (Egypt): National Bank of Egypt, Economic Bulletin (Cairo).

- a/ Excluding re-exports, ships' stores and bunkers.
- b/ Years beginning 20-23 March of year stated.
- c/ Seven months, 21 March-22 October.
- d/ Beginning 1958, excluding trade between Syria and UAR (Egypt).
- e/ Trade for the period January-August 1960 has been revalued at the new official rate introduced in September 1960 to permit conversion to US dollars at the uniform factor of 11.1111 cents per lira for the half-year and full year 1960. The official exchange rate was 35.7143 US cents per lira for the period January-August 1960.
- f/ Nine months January-September.

Table IV-2. Major Categories of Imports,^{a/} by Country
(Millions of indicated currency units)

Country and item	1956	1957	1958	1959	1960	1960 (first half)	1961
<u>Cyprus:</u>							
Total imports (Cyprus pounds)	39.1	45.2	36.6	41.1	39.2	19.9	19.6
Food, beverages and tobacco	7.2	7.5	7.0	7.7	8.7	4.4	4.5
Mineral fuels, lubricants and related materials	3.9	4.7	4.1	3.3	3.8	2.1	1.8
Chemicals	2.6	3.1	2.9	3.3	3.3	1.4	1.4
Manufactured goods and articles	13.7	16.8	13.0	15.8	13.4	6.9	6.8
Machinery and transport equipment ...	9.2	10.6	7.3	7.9	7.0	3.8	3.8
Other	2.5	2.5	2.3	2.6	3.0	1.3	1.3
<u>Iran: b/</u>							
Total imports (thousands of rials)	19.0	24.0	32.4	41.0	52.6	...	...
Food, beverages and tobacco	3.9	4.4	4.4	4.4	6.5	...	...
Manufactured articles	14.3	18.6	26.8	34.8	43.8	...	...
Raw materials	0.8	1.0	1.2	1.8	2.3	...	...
<u>Iraq:</u>							
Total imports (Iraqi dinars)	114.6	122.4	109.8	116.4	138.9	66.5	69.0
Imports by oil companies	7.4	10.4	10.0	17.0	14.6	6.6	7.7
Imports other than by oil companies .	107.2	112.0	99.8	99.4	124.3	59.9	61.3
Principal consumer goods	41.9	46.2	39.2	46.5	60.8	30.6	27.9
Food, beverages and tobacco	20.5	22.7	17.6	24.0	31.5	17.2	13.7
Clothing	12.1	14.4	12.6	12.6	14.8	6.2	6.5
Current consumer goods	2.5	3.0	2.5	3.7	4.3	2.0	2.4
Durable consumer goods	6.8	6.1	6.5	6.2	10.2	5.2	5.3
Principal capital goods	54.7	53.3	43.9	37.0	44.9	20.4	22.9
Machinery and equipment	16.6	17.0	10.5	6.9	9.3	4.8	4.4
Raw materials	10.5	10.5	8.5	7.1	10.0	4.7	5.1
Other capital goods	27.6	25.8	24.9	23.0	25.6	10.9	13.4
Other	10.6	12.5	16.7	15.9	18.6	8.9	10.4

(Table continued on following page)

Table IV-2. (continued)

Country and item	1956	1957	1958	1959	1960	1960 (first half)	1961 (first half)
<u>Israel:</u>							
Total imports (US dollars)	367.0	432.1	421.5	426.4	495.8	236.7	285.7
Manufactured consumer goods	57.2	50.0	53.1	44.8	49.1	26.6	25.5
Raw materials	172.5	211.9	211.4	233.2	271.1	132.4	146.9
For food industry and agriculture .	61.9	67.3	71.5	75.4	80.4	42.1	41.1
Investment goods	103.7	116.0	114.4	112.9	140.6	61.0	96.5
Industrial equipment	36.4	34.6	49.6	50.7	55.2	28.5	31.5
Transport equipment	27.8	48.3	31.3	29.3	53.5	16.6	47.6
Fuels	32.9	53.5	42.0	34.7	34.9	16.6	16.8
Other	0.7	0.7	0.6	0.8	0.1	0.1	-
<u>Jordan:</u>							
Total imports (Jordanian dinars)	27.8	30.5	34.0	40.3	42.9	20.9	19.9
Food, beverages and tobacco	8.4	9.8	11.3	12.3	13.7	6.2	5.6
Manufactured articles	16.2	17.0	18.4	23.3	24.2	12.4	13.1
Raw materials, including fuel	3.2	3.7	4.3	4.7	5.0	2.3	1.2
<u>Lebanon:</u>							
Total imports (Lebanese pounds) <u>c/</u>	825	910	745	1,007	1,201	...	...
Consumer goods	281	271	217	286	399	...	...
Food	192	174	135	174	239	...	...
Textiles	42	51	39	55	132	...	...
Other	47	46	43	57	28	...	...
Raw and semi-manufactured products <u>d/</u>	156	180	144	185	394	...	...
Capital goods	133	124	123	125	196	...	...
Other	255	335	261	411	212	...	...
<u>Syria: e/</u>							
Total imports (Syrian pounds) <u>c/</u>	669.2	612.3	683.3	628.8 <u>f/</u>	766.0 <u>f/</u>	381.7 <u>f/</u>	318.8 <u>f/</u>
Food, beverages and tobacco	107.5	93.6	88.4	105.7	192.6	117.1	100.9
Manufactured articles	420.1	389.2	472.0	412.8	476.7	226.9	187.7
Raw materials, including fuel	141.6	129.5	122.9	110.3	96.7	37.7	30.2

(Table continued on following page)

Table IV-2. (continued)

Country and item	1956	1957	1958	1959	1960	1960 (first half)	1961
<u>Turkey:</u>							
Total imports (Turkish liras)	1,140	1,112	882	1,316	4,214 ^{g/}	2,086 ^{g/}	1,773
Construction materials	155	134	76	101	308	151	154
Machinery and equipment	508	350	306	499	1,889	932	765
Consumption goods	127	137	108	134	405	209	182
Raw materials	350	491	392	582	1,612	794	672
<u>UAR (Egypt):^{e/}</u>							
Total imports (Egyptian pounds)	186.4	190.4	230.4	214.4	225.0	163.3 ^{h/}	163.3 ^{h/}
Food, beverages and tobacco	33.3	49.2	49.9	52.6	39.4	34.2	37.9
Crude materials and mineral fuels ^{i/}	53.2	66.5	78.9	64.3	44.8	39.2	34.5
Manufactured goods	43.6	33.7	37.4	33.6	41.5	25.8	26.4
Machinery and transport equipment ..	44.5	28.9	52.1	54.0	47.0	32.3	30.2
Other	11.8	12.1	12.1	9.9	52.3	31.8	34.3

Source: United Nations, Yearbook of International Trade Statistics, 1959; Cyprus: Imports and Exports Statistics; Iran: Iran Press, 17 July 1961 and 26 February 1962; Iraq: Quarterly Bulletin of the Central Bank of Iraq (Baghdad); Israel: Bank of Israel Bulletin (Jerusalem), Statistical Bulletin of Israel (Foreign Trade); Jordan: Quarterly Bulletin of Current Statistics; Lebanon: Bulletin statistique trimestriel, Le Commerce du Levant, Beyrouth Express, 26 July 1961; Syria: Monthly Summary of Foreign Trade; Turkey: Monthly Bulletin of Statistics; UAR (Egypt): Statistical Yearbook of Egypt's Foreign Trade, 1959, According to United Nations Standard International Trade Classification (SITC) (Cairo, 1960), National Bank of Egypt, Economic Bulletin, Central Bank of Egypt, Economic Bulletin.

- a/ Import categories vary from country to country due to different source classification.
b/ Years beginning 20-23 March of year stated. Excluding gold, gold coins and used banknotes.
c/ Valued at the free rate of exchange.
d/ Including chemical and pharmaceutical products and fuels.
e/ Beginning 1958, excluding trade between Syria and UAR (Egypt).
f/ Excluding crude oil imports.
g/ Trade for the period January-August 1960 has been revalued at the new official rate introduced in September 1960 to permit conversion to US dollars at the uniform factor of 11.1111 cents per lira for the half-year and full year 1960. The official exchange rate was 35.7143 US cents per lira for the period January-August 1960.
h/ January-September.
i/ Including chemicals.

Table IV-3. Geographic Pattern of Trade, by Country
(Percentage of total trade of given country)

Country, item and period	Total trade (millions of dollars)	Percentage distribution by trading area						
		Middle East	United States	United Kingdom	Continental western Europe	USSR	Other eastern Europe	Other countries
<u>Middle East total</u>								
Exports:								
1957	4,283.5	10.4	8.2	10.4	32.4	2.8	4.2	31.6
1958	4,677.7	8.6	8.7	12.8	33.8	3.0	3.7	29.4
1959	4,742.9	9.0	8.5	12.9	34.3	2.4	3.5	29.4
1960	5,089.9	8.5	8.0	13.0	32.9	2.5	3.3	31.8
Imports:								
1957	3,686.4	14.1	16.4	15.1	28.9	2.8	4.6	18.1
1958	3,797.9	11.7	15.8	14.8	31.9	3.3	6.1	16.4
1959	4,058.1	11.8	16.4	16.1	31.2	2.9	4.5	17.1
1960	4,360.2	11.9	17.3	15.1	31.9	2.5	4.4	16.9
<u>Aden</u>								
Exports:								
1957	182.8	21	1	17	8	-	-	53 ^a / 53
1958	177.8	22	1	11	8	-	-	58 ^a / 58
1959	171.4	22	1	11	8	-	-	58 ^a / 58
1960	167.9	19	1	11	6	-	-	63 ^a / 63
1960, first half	71.7	19	1	10	4	-	-	66 ^a / 66
1961, first half	91.9	14	1	9	4	-	-	72 ^a / 72
Imports:								
1957	204.8	53	1	11	7	-	-	28
1958	201.0	51	1	9	8	-	1	30
1959	202.6	52	1	9	9	-	1	28
1960	214.2	50	1	11	8	-	2	28
1960, first half	101.2	46	1	12	11	-	3	27
1961, first half	119.5	50	1	12	11	-	1	25

(Table continued on following page)

Table IV-3. (continued)

Country, item and period	Total trade (millions of dollars)	Percentage distribution by trading area						
		Middle East	United States	United Kingdom	Continental western Europe	USSR	Other eastern Europe	Other countries
<u>Cyprus</u>								
Exports:								
1957	52.9	5	7	28	51	1	2	6
1958	49.3	2	7	33	51	1	1	5
1959	53.2	4	5	34	48	-	2	7
1960	53.4	3	3	35	45	1	2	11
1960, first half	29.7	4	2	37	45	2	1	9
1961, first half	27.3	4	3	38	34	5	1	15
Imports:								
1957	126.5	5	3	46	36	-	2	8
1958	102.6	7	4	38	39	-	3	9
1959	115.1	8	5	36	41	-	3	7
1960	109.8	5	5	37	41	1	2	9
1960, first half	55.6	4	5	38	40	1	2	10
1961, first half	54.8	6	9	35	38	1	1	10
<u>Iraq</u>								
Exports:								
1957	359.5	11	4	8	49	-	-	28
1958	566.7	8	4	17	56	-	-	15
1959	606.5	6	4	18	55	-	-	17
1960	645.7	1	3	17	58	1	-	20
1960, first half	324.0	...	...	...	...	...	...	...
1961, first half	319.0	...	...	...	...	...	...	...
Imports:								
1957	341.0	5	15	29	27	-	2	22
1958	307.4	4	14	28	32	-	2	20
1959	325.9	4	10	31	24	1	3	27
1960	391.8	4	11	24	27	2	6	26
1960, first half	186.1	...	...	...	...	...	...	...
1961, first half	193.0	...	...	...	...	...	...	...

(Table continued on following page)

Table IV-3. (continued)

Country, item and period	Total trade (millions of dollars)	Percentage distribution by trading area						
		Middle East	United States	United Kingdom	Continental western Europe	USSR	Other eastern Europe	Other countries
<u>Israel</u>								
Exports:								
1957	141.3	8	14	20	35	-	4	19
1958	140.4	4	14	21	37	-	5	19
1959	179.3	7	15	19	36	-	3	20
1960	215.2	5	14	17	41	-	2	21
1960, first half	120.5	4	11	22	41	-	1	21
1961, first half	138.2	3	12	19	44	-	2	20
Imports:								
1957	435.5	1	25	12	35	-	2	25
1958	422.2	2	29	12	34	-	2	21
1959	428.6	2	29	11	35	-	1	22
1960	496.6	2	29	12	34	-	1	22
1960, first half	236.8	2	30	12	38	-	1	22
1961, first half	285.7	1	29	13	40	-	1	16
<u>Jordan</u>								
Exports:								
1957	12.0	69	1	-	1	-	7	22
1958	8.8	67	-	-	1	-	10	22
1959	8.7	66	1	-	-	-	11	22
1960	9.8	60	1	-	-	-	11	28
1960, first half	5.2	69	-	-	-	-	21	10
1961, first half	5.5	62	-	-	-	-	7	31
Imports:								
1957	85.4	24	8	17	21	-	3	27
1958	95.3	23	9	12	28	-	6	22
1959	111.1	17	8	12	31	-	4	28
1960	119.9	28	12	14	28	-	3	15
1960, first half	58.5	20	12	13	30	-	4	21
1961, first half	55.8	23	14	17	26	-	4	16

(Table continued on following page)

Table IV-3. (continued)

Country, item and period	Total trade (millions of dollars)	Percentage distribution by trading area						
		Middle East	United States	United Kingdom	Continental western Europe	USSR	Other eastern Europe	Other countries
<u>Lebanon^{b/}</u>								
Exports:								
1957	47.8	55	4	5	20	3	4	9
1958	34.6	59	6	4	18	4	4	5
1959	44.1	51	7	3	13	5	1	20
1960	68.6	50	4	3	13	2	2	26
Imports:								
1957	285.9	28	12	18	33	1	3	5
1958	236.5	24	13	17	35	1	3	7
1959	319.3	22	11	24	29	1	2	11
1960	389.9	22	10	22	31	1	2	12
<u>Syria^{b/c/}</u>								
Exports:								
1957	153.3	38	4	1	36	2	9	10
1958	117.5	33	4	3	24	16	10	10
1959	99.6	35	7	4	26	4	7	17
1960	97.0	35	4	4	20	7	14	16
1960, first half	46.3	31	3	4	20	9	17	16
1961, first half	60.1	19	2	2	28	4	15	30
Imports:								
1957	172.3	21	11	8	38	2	6	14
1958	204.1	14	9	11	39	2	10	15
1959	178.1	12	8	9	46	3	7	15
1960	214.4	9	15	8	43	3	5	17
1960, first half	107.4	12	15	8	44	2	5	14
1961, first half	89.0	8	27	8	28	4	4	21

(Table continued on following page)

Table IV-3. (continued)

Country, item and period	Total trade (millions of dollars)	Percentage distribution by trading area						
		Middle East	United States	United Kingdom	Continental western Europe	USSR	Other eastern Europe	Other countries
<u>Turkey</u>								
Exports:								
1957	345.2	4	26	9	38	2	17	4
1958	247.2	6	20	7	42	5	18	2
1959	355.1	9	18	10	46	1	10	6
1960	319.2	11	18	10	42	2	11	6
1960, first half	157.6	9	23	10	40	1	13	4
1961, first half	140.0	13	24	8	34	1	10	10
Imports:								
1957	397.1	6	31	8	33	3	14	5
1958	315.1	5	28	7	37	2	16	5
1959	442.6	7	22	12	44	1	8	6
1960	468.2	5	26	11	41	1	8	8
1960, first half	231.6	4	25	11	43	1	8	8
1961, first half	197.0	5	18	14	39	2	9	13
<u>UAR (Egypt)^{c/}</u>								
Exports:								
1957	492.7	6	5	-	21	18	20	30
1958	470.4	5	2	5	17	18	22	31
1959	443.0	4	1	3	20	18	25	29
1960	550.1	4	5	2	16	16	20	37
1960, first nine months	418.6	4	6	3	16	19	17	35
1961, first nine months	379.0	5	7	2	15	19	29	23
Imports:								
1957	546.9	8	9	1	34	11	12	25
1958	661.7	2	8	5	36	13	19	17
1959	615.8	4	14	7	30	13	13	19
1960	632.4	4	18	6	31	10	12	19
1960, first nine months	463.4	3	18	6	32	9	12	20
1961, first nine months	463.5	3	19	6	24	11	11	26

(Table continued on following page)

Table IV-3. (continued)

Country, item and period	Total trade (millions of dollars)	Percentage distribution by trading area						
		Middle East	United States	United Kingdom	Continental western Europe	USSR	Other eastern Europe	Other countries
<u>Iran, Saudi Arabia, Qatar, Kuwait, Bahrain, Neutral Zone, Yemen, Muscat, Oman and Trucial Oman d/</u>								
Exports:								
1957	2,496.0	9	8	12	33	1	-	37
1958	2,865.0	7	10	14	33	1	-	35
1959	2,782.0	8	10	14	32	1	-	35
1960	2,963.0	9	9	14	31	1	-	36
1960, first half	1,456.0	8	8	15	32	1	-	36
1961, first half	1,523.0	9	9	15	31	1	-	35
Imports:								
1957	1,091.0	17	19	19	25	3	1	16
1958	1,252.0	14	19	20	30	2	1	14
1959	1,319.0	13	20	18	29	2	1	17
1960	1,323.0	15	18	17	31	2	2	15
1960, first half	672.0	14	18	18	31	1	1	17
1961, first half	677.0	16	18	17	32	1	1	15

Source: Statistical Office of the United Nations; United Nations, Direction of International Trade, Statistical Papers, Series T, a joint publication of the Statistical Office of the United Nations, the International Monetary Fund and the International Bank for Reconstruction and Development, November and December 1960; Aden: Trade Bulletin, June 1961; Cyprus: Imports and Exports Statistics; Israel: Statistical Bulletin of Israel; Jordan: Quarterly Bulletin of Current Statistics; Syria: Monthly Summary of Foreign Trade; Turkey: Monthly Bulletin of Statistics; UAR (Egypt): Central Bank of Egypt, Economic Review, vol. 1, No. 3, 1961 (Cairo).

a/ Including ships' stores and bunkers.

b/ Including gold.

c/ Beginning 1958, excluding trade between Syria and UAR (Egypt).

d/ Estimates of the Statistical Office of the United Nations.

Table IV-4. Syria: Commodity Trade with the United Arab Republic (Egypt)
(Quantity in tons; value in thousands of Syrian pounds)

Year	Imports		Exports		Trade balance	
	Quantity	Value	Quantity	Value	Surplus	Deficit
1953	1,680	825	15,031	3,428	2,603	
1954	11,670	4,788	13,145	3,063		1,725
1955	21,399	6,822	14,609	5,169		1,653
1956	30,533	12,936	25,244	9,030		3,906
1957	32,742	14,262	112,361	31,785	17,523	
1958	114,726	25,514	15,796	16,578		8,936
1959	161,950	41,796	28,918	68,381	26,585	
1960	81,257	52,476	21,963	60,982	8,506	
1961	101,207	66,191	20,228	40,736		25,455

Source: Syria: Monthly Summary of Foreign Trade; Bureau des documentations arabes, Etude mensuelle sur la vie économique et financière de la R.A.S. et des pays arabes (Damascus), January 1962.

Table IV-5. Indices of Quantum and Unit Value, and Terms of Trade, Selected Countries
(1953 = 100)

Country and item	1957		1958		1959		1960	
	Quantum	Unit value						
<u>Cyprus:</u>								
Exports ^{a/}	118	107	111	102	121	98	119	97
Imports	191	110	169	105	196	103	189	101
Terms of trade		97		97		95		96
<u>Iran:</u>								
Exports .....	...	134	...	124	...	119	...	117
Imports .....	...	88	...	82	...	84	...	86
Terms of trade		152		151		142		136
<u>Israel:</u> ^{b/}								
Exports	141	109	148	107	207	97	257	94
Imports	109	113	125	101	131	98	152	98
Terms of trade		96		106		99		96
<u>Syria:</u> ^{c/}								
Exports	147	100	133	96	121	104	...	...
Imports	120	96	152	98	145	99	...	...
Terms of trade		104		98		105		...
<u>UAR (Egypt):</u>								
Exports	93	134	104	116	108	105	...	...
Imports	99	106	138	99	140	88	...	...
Terms of trade		126		117		119		...

Source: United Nations, Yearbook of International Trade Statistics, 1960, vol. I (Sales No.: 61.XVII.9/vol. I); International Monetary Fund, International Financial Statistics (Washington, D.C.), March 1962.

a/ National exports only.

b/ 1955 = 100.

c/ Including gold.

Table IV-6. Balance of Payments, by Country
(Millions of indicated currency units)

Country, currency and year	Goods and services				Official and private transfers	Capital flow and monetary gold			Net errors and omissions
	Merchandise and non-monetary gold	Transactions of oil sector	Services	Total		Private capital	Official and banking capital	Total	
Cyprus (Cyprus pounds):									
1956	- 12.01	-	7.44	- 4.57	3.40	- 0.14	- 1.44	- 1.58	2.75
1957	- 20.07	-	4.33	- 15.74	8.07	0.31	3.63	3.94	3.73
1958	- 13.62	-	6.80	- 6.82	9.37	- 0.30	- 1.85	- 2.15	- 0.40
1959	- 17.22	-	3.17	- 14.05	8.55	- 4.79	8.44	3.65	1.85
1960 a/	- 13.65	-	6.67	- 6.98	6.13	- 0.30	0.78	0.48	0.37
Iran (US dollars): b/									
1956	-268.4	167.2	- 27.6	-128.8	43.9	46.4 c/	29.4	75.8	9.1
1957	-257.0	228.4	- 36.3	- 64.9	27.7	- 4.0 c/	27.0	23.0	14.2
1958	-390.6	316.3	- 29.8	-104.1	20.3	3.7 c/	89.6	93.3	- 9.5
1959	-404.9	323.0	- 32.8	-114.7	44.9	- 2.8 c/	62.7	59.9	9.9
1960	-403.6	333.4	- 30.0	-100.2	35.4	6.6 c/	69.0	75.6	-10.8
Iraq (Iraqi dinars):									
1956	- 89.72	80.07	0.21	- 9.44	- 0.46	4.51	- 6.89	- 2.38	12.28
1957	-100.62	54.90	- 0.18	- 45.90	- 0.77	13.24	33.58	46.82	- 0.15
1958	- 82.44	95.88	5.96	19.40	0	1.77	-12.68	-10.91	- 8.49
1959	- 85.46	97.07	0.18	11.79	- 2.18	5.94	- 3.99	1.95	-11.56
1960	-114.97	112.03	- 2.53	- 5.47	- 3.46	4.55	17.32	21.87	-12.94
Israel (US dollars):									
1956	-257.1	-	- 97.9	-355.0	240.6	9.0	99.0	108.0	6.4
1957	-291.2	-	- 40.3	-331.5	245.3	18.3	53.8	72.1	14.1
1958	-232.8	-	-101.3	-334.1	263.6	27.3	40.8	68.1	2.4
1959	-203.4	-	-108.9	-312.3	250.9	45.2	6.3	51.5	9.9
1960 a/	-238.4	-	-100.7	-339.1	299.5	66.6	-27.5	39.1	0.5
Jordan (Jordanian dinars):									
1956	- 19.50	-	2.48	- 17.02	18.99	0.25	- 2.92	- 2.67	0.70
1957	- 24.28	-	0.42	- 23.86	21.73	0.30	1.50	1.80	0.33
1958	- 30.49	-	5.11	- 25.38	24.48 d/	0.58	- 2.62	- 2.04	2.94
1959	- 36.85	-	2.15	- 34.70	31.81	0.11	0.60	0.71	2.18
1960	- 37.46	-	1.77	- 35.69	33.76	0.41	- 0.30	0.11	1.82
Lebanon (Lebanese pounds):									
1955	-459.1	-	224.4	-234.7	143.8	- 7.5	-32.6	-40.1	131.0
1956	-483.6	-	235.7	-247.9	36.7 e/	- 4.6	- 3.3	- 7.9	219.1 f/
1957	-532.2	-	196.9	-335.3	31.2 e/	5.2	-35.9	-30.7	334.8 f/
1958	-563.0	-	268.0	-295.0	165.0	...	...	144.0 g/	...
1959	-619.0	-	379.0	-240.0	108.0	...	...	156.0 h/	...
Syria (US dollars):									
1956	- 51.1	-	43.7	- 7.4	4.4	- 1.4	- 4.7	- 6.1	9.1
1957	- 16.9	-	19.5	2.6	4.5	- 2.8	1.4	- 1.4	- 5.7
1958	- 73.0	-	39.4	- 33.6	7.5	- 4.2	8.8	4.6	21.5
1959	- 65.9	-	45.9	- 20.0	15.4	2.8	0.4	3.2	1.4
1960	-109.1	-	50.3	- 58.8	20.0	- 4.1	28.4	24.3	14.5
Turkey (US dollars):									
1956	- 53.5	-	28.1	- 25.4	89.2	- 28.6	25.6	- 3.0	-60.8
1957	- 15.0	-	- 19.1	- 34.1	66.7	- 61.0	99.6	38.6	-71.2
1958	- 36.5	-	- 24.6	- 61.1	90.6	- 49.0	- 6.6	42.4	-71.9
1959 a/	- 66.4	-	- 54.9	-121.3	90.8	13.1	69.1	82.2	-51.7
1960 a/	- 85.5	-	- 35.8	-121.3	161.2	26.3	-42.8	-16.5	-23.4
UAR (Egypt) (Egyptian pounds):									
1956 i/	- 73.8	-	23.6	- 50.2	11.1	- 28.3	67.7	39.4	- 0.3
1957	- 51.9	-	18.3	- 33.6	3.7	- 1.2	30.2	29.0	0.9
1958	- 52.7	-	31.6	- 21.1	0.1	1.5	21.8	23.3	- 2.3
1959	- 73.4	-	28.0	- 45.4	4.4	- 26.0	62.7	36.7	4.3
1960 a/	- 58.3	-	25.2	- 33.1	8.3	8.7	24.4	33.1	- 8.3

Source: International Monetary Fund, *International Financial Statistics*, March 1962, *Balance of Payments Yearbook*, vol. 13 (Washington, D.C.); Cyprus: *Economic Review, 1960* (Nicosia, 1961); Lebanon, 1958 and 1959, private sources.

(Foot-notes on following page)

Foot-notes to table IV-6.

- a/ Provisional.
- b/ Twelve months beginning 20 to 22 March of year stated.
- c/ Including loans to private firms under Bank Melli Iran guarantee, credits to government enterprises, and Export-Import Bank and International Finance Corporation (IFC) loans to private firms.
- d/ Part of private transfer payments is included in errors and omissions.
- e/ Official donations only.
- f/ Including private donations.
- g/ This entry has been calculated as an arithmetical residual. As such it includes net private capital movement, total value added to goods admitted under "temporary entry" and net errors and omissions. It also includes a surplus amounting to LL 14 million, which was reflected in the net change in foreign exchange assets and bank liabilities to non-residents.
- h/ This is the net inflow of capital, which helped to offset the deficit on current account, finance a LL 33 million-worth of increases in official gold holdings, and leave a surplus in the over-all balance amounting to LL 24 million. For method of calculation, see foot-note g.
- i/ Excluding transactions with the Sudan.

Table IV-7. Official Gold and Foreign Exchange Holdings^{a/}
(Millions of dollars; end of period, except as indicated)

Country	Annual average 1950-1955	1956	1957	1958	1959	1960	1961
Iran	200.2	230.0	246.0	254.0	214.0	184.0	208.0
Iraq	178.2	353.5	261.3	288.4	296.0	253.6	257.7 ^{b/}
Israel	20.9	58.8	57.4	100.1	120.8	209.4	275.9
Jordan	28.7	47.0	43.8	45.7	44.8	45.9	50.3
Lebanon	56.3	87.8	98.9	107.0	124.9	137.0	138.8
Saudi Arabia ..	...	...	23.7 ^{c/}	62.5 ^{d/}	185.7 ^{e/}	188.0 ^{f/}	...
Syria	37.2 ^{g/}	63.0	62.0	46.0	53.0	50.0	38.0 ^{h/}
Turkey	207.0	225.0	268.0	286.0	265.0	252.0	237.0
UAR (Egypt) ...	798.2	566.0	465.0	429.0	357.0	291.0	221.0

Source: International Bank for Reconstruction and Development, Approach to the Economic Development of Saudi Arabia, 1 November 1960; International Monetary Fund, International Financial Statistics, February 1961 and March 1962.

a/ Excluding IMF accounts.

b/ As at end of October 1961.

c/ As at 20 January 1957.

d/ As at 27 July 1958.

e/ As at 12 December 1959.

f/ As at 15 September 1960.

g/ Annual average 1951-1955.

h/ As at end of November 1961.

Table V-1. Railway Freight Traffic, by Country

Item and country	1956	1957	1958	1959	1960	1960 (first half)	1961
<u>Net ton-kilometres (millions):</u>							
Iran	1,351	1,497	1,452	1,928	2,150	1,008	1,078
Iraq <u>a/</u>	766	909	818	768	...	...	...
Israel <u>b/</u>	162	230	203	218	220	126	121
Lebanon	41	43	26	34	36	18	15
Syria	152	156	90	102	107	60	36
Turkey	4,439	4,944	5,064	4,854	4,322	1,929	1,665
UAR (Egypt) <u>c/</u>	1,616	1,658	1,811	1,993	2,096	...	...
<u>Tons carried (thousands):</u>							
Iran	2,494	2,964	2,808	3,216	3,615	1,748	1,862
Iraq <u>a/</u>	2,780	2,851	2,984	2,362	...	...	...
Israel <u>b/</u>	1,476	1,832	1,622	1,886	1,971	1,092	1,070
Jordan	217	283	237	300	290	...	...
Lebanon	700	733	422	536	524	252	201
Syria	1,114	1,193	643	766	763	395	226
Turkey	13,678	15,253	15,624	15,276	13,435	5,331	4,714
UAR (Egypt) <u>c/</u>	6,311	6,355	6,498	6,754	...	...	...

Source: Statistical Office of the United Nations, Monthly Bulletin of Statistics; Iraq: Statistical Abstract, 1960 (Baghdad, 1961); Jordan: Statistical Yearbook, 1960; UAR (Egypt): Department of Statistics and Census, Pocket Yearbook of Statistics, 1958 and 1959 (Cairo); UAR: Central Committee of Statistics, Essential Statistical Tables (Egyptian Region) (Cairo, January 1961).

a/ Twelve months beginning 1 April of year stated; excluding livestock.

b/ Including revenue service traffic.

c/ Twelve months ending 30 June; state railways only.

Table V-2. Railway Passenger Traffic, by Country
(Passengers in thousands; passenger-kilometres in millions)

Country and item	1956	1957	1958	1959	1960
<u>Iran: a/</u>					
Number of passengers	1,725	2,688	3,982	4,573	4,032
Passenger-kilometres	442	996	1,588	1,960	1,581
<u>Iraq: b/</u>					
Number of passengers	3,323	3,547	3,240	3,277	...
Passenger-kilometres	605	658	574	656	...
<u>Israel:</u>					
Number of passengers	4,565	4,657	4,706	4,837	4,386
Passenger-kilometres	318	335	349	364	350
<u>Jordan:</u>					
Number of passengers	97	97	84	94	53
<u>Lebanon:</u>					
Number of passengers	104	118	65	70	68
Passenger-kilometres	5	5	3	5	5
<u>Syria:</u>					
Number of passengers	494	484	402	416	381
Passenger-kilometres	51	46	42	43	42
<u>Turkey:</u>					
Number of passengers	67,500	84,576	92,484	94,927	96,798
Passenger-kilometres	4,480	5,041	5,105	4,589	4,396
<u>UAR (Egypt): c/</u>					
Number of passengers	88,700	86,500	71,085	65,026	...
Passenger-kilometres	4,287	4,165	3,602	3,522	3,602

Source: Statistical Office of the United Nations; International Union of Railways, International Railway Statistics, 1960 and Quarterly Summary of Statistics (Paris); Iraq: Statistical Abstract, 1960; Israel: Statistical Abstract, 1961; Jordan: Statistical Yearbook, 1960; UAR (Egypt): Department of Statistics and Census, Pocket Yearbook of Statistics, 1958 and 1959.

a/ Twelve months beginning 20 to 22 March of year stated.

b/ Twelve months beginning 1 April of year stated.

c/ Twelve months ending 30 June of year stated. State railways only.

Table V-3. Number of Motor Vehicles Registered
(Thousands; end of year stated)

Country and item	1957	1958	1959	1960	1961
<u>Arab States: a/</u>					
Total (cars, trucks and buses)	60.0	60.0	122.4	129.5	135.0
Cars	20.0	20.0	64.4	69.2	73.0
Trucks	40.0	40.0	50.0	52.3	54.0
Buses	b/	b/	8.0	8.0	8.0
Motor cycles	-	-	0.7	0.8	0.8
<u>Cyprus:</u>					
Total (cars, trucks and buses)	26.4	27.7	30.8	33.1	39.0
Cars	18.3	20.2	24.4	27.3	28.8
Trucks	8.1	7.5	6.4	5.8	10.2
Buses	b/	b/	b/	b/	b/
Motor cycles	7.7	7.7	7.9	7.9	9.0
<u>Iran:</u>					
Total (cars, trucks and buses)	73.0	97.8	101.8	141.5	155.0
Cars	44.5	63.0	66.2	90.0	96.0
Trucks	21.9	27.8	28.5	44.2	50.0
Buses	6.6	7.0	7.1	7.3	9.0
Motor cycles	4.5	6.1	7.5	8.0	8.0
<u>Iraq:</u>					
Total (cars, trucks and buses)	40.3	41.5	50.8	60.2	61.0
Cars	25.9	26.5	35.1	39.4	40.0
Trucks	10.9	11.5	12.2	15.8	16.0
Buses	3.5	3.5	3.5	5.0	5.0
Motor cycles	7.6	7.6	3.0	3.9	4.0
<u>Israel:</u>					
Total (cars, trucks and buses)	43.0	46.4	51.8	65.5	70.3
Cars	20.6	23.0	26.7	32.0	39.0
Trucks	20.2	21.0	22.8	31.0	28.6
Buses	2.2	2.4	2.3	2.5	2.7
Motor cycles	10.3	14.2	19.4	22.5	26.0
<u>Jordan:</u>					
Total (cars, trucks and buses)	9.6	9.6	9.6	10.9	12.0
Cars	5.6	5.6	5.6	6.5	7.2
Trucks	3.2	3.2	3.2	3.6	4.0
Buses	0.8	0.8	0.8	0.8	0.8
Motor cycles	0.4	0.4	0.5	0.5	0.5
<u>Lebanon:</u>					
Total (cars, trucks and buses)	38.2	42.1	45.5	55.4	66.2
Cars	31.4	34.7	37.8	46.9	56.9
Trucks	5.3	5.8	6.4	7.1	7.9
Buses	1.5	1.6	1.3	1.4	1.4
Motor cycles	3.1	3.3	3.9	4.4	4.9
<u>Syria:</u>					
Total (cars, trucks and buses)	22.7	21.6	22.6	28.4	29.5
Cars	12.9	12.3	12.9	16.5	17.2
Trucks	8.5	8.1	8.5	10.2	10.5
Buses	1.3	1.2	1.2	1.7	1.8
Motor cycles	2.0	1.9	2.1	2.4	2.5
<u>Turkey:</u>					
Total (cars, trucks and buses)	79.1	82.0	95.6	113.2	132.0
Cars	31.5	36.8	39.0	44.8	51.0
Trucks	47.6	36.9	48.0	59.0	71.0
Buses	b/	8.3	8.6	9.4	10.0
Motor cycles	10.1	9.7	8.0	9.5	11.0
<u>UAR (Egypt):</u>					
Total (cars, trucks and buses)	104.0	100.5	104.7	90.8	93.1
Cars	75.0	72.0	75.5	71.0	73.5
Trucks	23.0	22.0	22.7	16.0	15.8
Buses	6.0	6.5	6.5	3.8	3.8
Motor cycles	13.3	19.4	20.2	21.0	22.2

Source: The American Automobile (McGraw-Hill, New York); United States State Department and other official country sources.

a/ Saudi Arabia, Aden, Kuwait, Bahrain, Dubai and Sharjah (Persian Gulf).

b/ Buses included in figures for trucks.

Table V-4. International Sea-borne Shipping, by Country
(Thousands of tons)

Country and item	1956	1957	1958	1959	1960	(first half)	
						1960	1961
<u>Cyprus:</u>							
Goods loaded	1,399	1,430	1,457	1,437	1,573	858	721
Goods unloaded	882	737	711	747	731	346	385
<u>Iran: a/</u>							
Goods loaded	28,754	20,226	24,855	28,356	30,269	...	...
Goods unloaded	1,196	1,004	1,259	1,265	1,512	...	...
<u>Iraq: b/</u>							
Goods loaded	476	356	473	266	...	...	...
Goods unloaded	659	668	651	1,133	...	...	...
<u>Israel:</u>							
Goods loaded	717	842	779	1,091	1,179	745	671
Goods unloaded ^{c/}	1,473	1,562	1,641	1,881	2,035	998	1,062
<u>Jordan: d/</u>							
Goods loaded	66	100	138	129	223	82	156
Goods unloaded	77	48	272	454	461	201	258
<u>Lebanon: e/</u>							
Goods loaded	442	493	331	328	280	151	122
Goods unloaded	1,517	1,525	1,097	1,336	1,443	716	693
<u>Syria: f/</u>							
Goods loaded	566	719	484	215	225	112	547
Goods unloaded	345	343	615	817	1,101	626	860
<u>Turkey: g/</u>							
Goods loaded	2,384	2,031	2,238	3,138	2,217	986	961
Goods unloaded	2,435	3,122	2,183	2,301	3,293	1,713	1,868
<u>UAR (Egypt): h/</u>							
Goods loaded	2,421	2,158	4,967	5,091	5,408	2,295	3,110
Goods unloaded	4,944	5,055	6,933	5,872	6,359	3,273	3,034

Source: Statistical Office of the United Nations, Monthly Bulletin of Statistics; United Nations Statistical Yearbook; Israel: Statistical Abstract, 1961; Jordan: Quarterly Bulletin of Current Statistics; Syria: General Bulletin of Current Statistics, third quarter 1961.

- a/ Twelve months beginning 21 March of year stated; Caspian Sea traffic included.
- b/ Twelve months beginning 1 April; excluding tankers and petroleum.
- c/ Excluding petroleum.
- d/ Port of Aqaba.
- e/ Including coastwise shipping; excluding livestock; port of Beirut only.
- f/ Port of Latakia only.
- g/ Excluding timber and livestock.
- h/ Beginning 1958, excluding trade with Syria; including parcel post; excluding packing.
- i/ Goods in transit are included in the unloading figures at the time of transshipment.

Table V-5. Suez Canal Traffic and Revenue

Year	Number of transits		Goods carried (millions of tons)				Suez Canal transit dues (millions of Egyptian pounds)	
	All ships	Oil tankers ^{a/}	Total	Southbound	Northbound		Suez Canal Authority ^{b/} (gross receipts)	Government of the UAR (Egypt) ^{c/}
					All cargoes	Oil		
1950 ...	11,751	6,600	72.6	12.1	60.5	47.5	26.7	3.4
1951 ...	11,694	5,900	76.8	17.4	59.3	42.9	26.2	4.1
1952 ...	12,168	6,200	83.4	22.0	61.4	45.9	26.7	3.8
1953 ...	12,731	6,500	90.4	22.5	67.9	49.4	28.9	3.6
1954 ...	13,215	6,900	96.9	22.4	74.5	57.0	30.3	4.6
1955 ...	14,666	8,000	107.5	20.1	87.4	66.9	32.2	6.3
1956 ^{d/} ..	13,291	7,000	99.6	18.1	82.9	65.7	29.4	...
1957 ...	10,958	5,800	81.3	14.1	67.2	54.1	— 24.5 —	—
1958 ...	17,842	9,600	139.3	24.9	114.4	94.4	— 42.1 —	—
1959 ...	17,731	9,200	148.2	26.5	121.7	98.7	— 44.5 —	—
1960 ...	18,734	9,800	168.9	29.3	139.6	114.4	— 50.4 —	—
1961 ...	18,148	9,100	172.4	32.8	139.6	114.4	— 51.9 —	—

Source: Compagnie universelle du Canal maritime de Suez, The Suez Canal (Paris, 1956), Rapport (Paris, 1955), Bulletins and Supplements (Paris); UAR (Egypt), Suez Canal Authority, annual and monthly reports; National Bank of Egypt, Economic Bulletin, Vol. XIV, No. 4, 1961.

a/ Approximate figures to the nearest hundred.

b/ Suez Canal Company before nationalization in 1956.

c/ For the period 1950-1955, annual sums paid by the Suez Canal Company to the Egyptian Government.

d/ No traffic passed through the Suez Canal from November 1956 to 9 April 1957.

Table V-6. Civil Aviation Revenue Traffic: Total Scheduled Services for Airlines Registered, by Country
(Thousands)

Traffic item and year	Aden	Bahrain ^{a/}	Cyprus	Iran ^{a/}	Iraq	Israel	Jordan ^{a/}	Kuwait ^{a/}	Lebanon	Saudi Arabia ^{a/}	Syria ^{a/}	Turkey	UAR (Egypt)	Total
<u>Kilometres flown:</u>														
1957	2,184	600	1,298	3,498	2,382	4,824	1,005	2,400	8,956	2,850	1,200	7,028	3,263	41,488
1958	2,427	750	1,268	4,026	2,488	6,650	1,110	1,720	11,547	4,200	1,185	8,672	4,477	50,520
1959	2,306	790	1,646	4,543	2,420	7,772	1,270	2,120	12,304	4,700	2,916 ^{c/}	9,742	5,968	58,497
1960	2,492	830	1,822	4,877	2,391	8,781	1,340	2,940	13,810	5,200	3,570	8,115	7,617	63,785
1961	2,840	870	1,438	4,945	2,317	11,675 ^{a/}	1,360	3,235	15,435 ^{a/}	4,515	2,015	7,875 ^{a/}	8,490 ^{a/}	67,010
<u>Passenger-kilometres:</u>														
1957	21,216	6,500	26,937	39,954	52,207	166,082	15,770	49,500	173,762	95,000	13,800	128,910	62,127	851,765
1958	23,683	7,500	28,838	41,604	48,084	278,076	17,350	52,000	188,946	104,000	13,889	163,219	97,425	1,064,614
1959	23,085	8,000	40,581	39,707	41,901	358,367	20,670	63,000	267,144	110,000	27,780	163,244	138,815	1,302,294
1960	32,852	8,500	43,653	76,308	52,005	439,478	22,740	106,015	252,713	120,000	44,800	141,402	198,921	1,539,387
1961	39,611	9,700	40,136	86,885	45,452	626,585 ^{a/}	23,075	116,615	304,315 ^{a/}	125,000	36,895	147,825 ^{a/}	221,450 ^{a/}	1,823,544
<u>Cargo (ton-kilometres):</u>														
1957	1,753	85	543	2,561	589	3,345	185	650	7,423	2,000	120	859	1,047	21,160
1958	1,471	95	569	3,406	504	4,738	235	725	9,827	2,300	126	1,210	1,518	26,724
1959	1,461	110	784	5,679	855	6,532	270	800	9,570	2,650	250	1,443	2,140	32,544
1960	1,651	120	631	5,845	986	8,792	300	1,100	17,783	3,000	300	1,779	2,932	45,219
1961	2,009	140	674	6,050	793	12,630 ^{a/}	300	1,210	18,855 ^{a/}	3,500	760	1,710 ^{a/}	3,265 ^{a/}	51,896
<u>Mail (ton-kilometres):</u>														
1957	97	20	323	79 ^{b/}	81	700	60	50	243	125	35	114	96	2,023
1958	118	25	386	78 ^{b/}	66	847	65	55	435	150	41	145	139	2,550
1959	111	30	423	141	128	946	90	60	653	180	80	186	208	3,236
1960	182	35	359	177	160	1,023	100	95	597	200	100	283	289	3,600
1961	226	40	226	210	167	1,260 ^{a/}	100	105	640 ^{a/}	225	120	285 ^{a/}	330 ^{a/}	3,934

Source: International Civil Aviation Organization.

a/ Data wholly or partly estimated.

b/ Actual data.

Table VI-1. Cyprus: Planned Public Development Expenditures, 1962-1966

Item	Millions of Cyprus pounds
Agriculture ^{a/}	18.9
Industry ^{b/}	12.5
Water supplies ^{c/}	6.0
Transportation ^{d/}	17.4
Tourism	3.0
Government buildings	0.5
Services ^{e/}	3.6
Total	61.9 ^{f/}

Source: Republic of Cyprus, Five-year Programme of Economic Development, Address of the President of the Republic Archbishop Makarios to the House of Representatives on the 21st August, 1961 (Nicosia).

- a/ Including water dams, animal husbandry and breeding, forests and fisheries.
- b/ Comprising Development Bank, telecommunications and electrification.
- c/ Including hydrological research and geophysical survey.
- d/ Comprising harbours, airports and roads.
- e/ Comprising health, social and other services.
- f/ It is expected that one-half of the total investment will be financed from internal sources.

Table VI-2. Iran: Planned Public Revenue and Expenditure,
1962/63-1967/78

Expenditure	Billions of rials	Revenue	Billions of rials
<u>Development expenditures:</u>		<u>Internal revenue:</u>	
Agriculture	36.6	Oil revenue	147.3
Industry (including electricity)	53.7	Customs duties	71.0
Transport and communications .	48.2	Income tax	42.5
Social affairs	46.1	Other direct taxes	8.1
Survey for the fourth plan and unallocated funds	5.6	Consumption tax	57.7
		Other revenue	48.9
	Total	Total	375.5
	190.2		
<u>Non-development expenditures:</u>		<u>Resource gap</u>	
Non-development agencies	138.9		67.3
Development agencies	100.7		
Principal payment on foreign debt	13.0		
	Total		
	252.6		
Grand total	442.8	Grand total	442.8

Source: The Plan Organization of Iran, Division of Economic Affairs, Introduction to the Third Development Plan of Iran, 1341-1346 /1962-1967/ (Tehran, 1961).

Table VI-3. Iraq: Planned Public Development Expenditures and Sources of Finance, 1961-1965

Allocations	Millions of Iraqi dinars	Sources of finance	Millions of Iraqi dinars
Agriculture	113.0	Oil revenue	315.8
Industry	166.8	Net profits ^{a/}	22.8
Transport and communications ...	136.5	Repayment of loan to Real Estate Bank	2.0
Buildings and housing	140.1	Cash surplus ^{b/}	5.0
		First loan (USSR)	65.2
		Second loan (Czechoslovakia)	12.0
		Miscellaneous revenue	1.0
		Other revenues (internal and external)	142.6
	Total 556.4	Total	566.4 ^{c/}

Source: Iraq, Law No. 70 concerning the Detailed Five-year Economic Plan appearing in the Official Gazette, No. 592 (Baghdad), 18 October 1961 (in Arabic).

a/ Total net profits expected to accrue to the Port Administration, the National Electricity Service and the government refineries.

b/ Realized on 31 March 1961.

c/ The ID 10 million surplus is earmarked for payment of principal and interest on loans.

Table VI-4. Israel: Public Development Expenditures,
1960/61-1962/63

(Millions of Israel pounds)

Item	Actual 1960/61	Budget 1961/62	Budget 1962/63
Agriculture	82.8	128.7	81.2
Jordan water project	31.8	35.0	61.0
Industry and crafts	68.1	70.0	64.5
Mines and quarries	11.8	18.1	17.9
Electricity	20.0	8.0	10.3
Transport	31.7	69.8	114.0
Posts	16.3	23.0	43.5
Housing	78.9	157.6	193.5
Loans to local authorities	8.5	9.4	14.0
Accommodation for public and government institutions	13.3	15.5	17.5
Tourism and miscellaneous enterprises ...	12.4	23.0	12.3
Oil pipelines and wells	2.6	3.0	1.8
Road construction and maintenance	3.7	5.0	5.3
Reserve	-	8.0	19.3
Miscellaneous items and adjustments	12.1	-63.1	-133.6
Total	394.0	511.0 ^{a/}	522.5

Source: The Jerusalem Post, 28 February 1962.

a/ The algebraic summation of the items in the source is £I 521 million.

Table VI-5. Jordan: Planned Development Expenditures and Sources of Finance,
1962-1967

(Millions of Jordanian dinars)

Item	Expenditures			Sources of finance			
	Public	Private	Total	Public	Private	External	Total
Agriculture ^{a/}	28.83	12.05	40.88	7.73	7.00	25.61	40.34
Industry ^{b/}	1.13	20.92	22.05	0.86	12.11	9.80	22.77
Tourism	1.67	5.53	7.20	1.29	4.75	0.38	6.42
Transport and communications .	16.01	1.40	17.41	4.17	1.40	11.85	17.42
Construction	1.38	18.50	19.88	-	18.50	1.38	19.88
Social development ^{c/}	17.07	-	17.07	6.92	1.15	9.62	17.69
Other ^{d/}	0.82	2.00	2.82	0.45	2.08	0.29	2.82
Total	66.91	60.40	127.31 ^{e/}	21.42	46.99	58.93	127.34 ^{e/}

Source: The Hashemite Kingdom of Jordan, The Jordan Development Board, Five Year Program for Economic Development, 1962-1967.

a/ Including fisheries, forestry and water resources.

b/ Including mining and electricity.

c/ Comprising education, health services, social affairs and municipal development.

d/ Comprising financial institutions, fiscal programme, government administration and statistics.

e/ Totals do not tally because of rounding.

Table VI-6. Lebanon: Planned Public Development Expenditures,
1962-1967

Item	Millions of Lebanese pounds
Irrigation	64
Drinking water	76
Electricity	72
Roads	124
River beds	9
Antiquities	10
Buildings	20
Reconstruction	75
Total	450

Source: Lebanon, Decree No. 7277 of 7 August 1961 appearing in the Official Gazette, No. 36 (Beirut), 16 August 1961 (in Arabic).

Table VI-7. Saudi Arabia: Public Development Allocations, 1960^{a/}
(Millions of Saudi Arabian riyals)

Item	Budget 1960
Construction	24.7
Roads	48.5
Communications	25.9
Water resources	5.8
Agriculture	7.9
Education	16.9
Health	6.9
Miscellaneous	45.6 ^{b/}
Unallocated	18.1
Total	200.3

Source: International Bank for Reconstruction and Development, Approach to the Economic Development of Saudi Arabia, 1 November 1960.

a/ Development allocations were estimated to be SA Rl 291 million in 1961 and SA Rl 400 million in 1962. For a short discussion of the budget, see "Current Saudi Budget Stresses New Development Projects", Middle East Express (Beirut), 2 April 1962, page 5.

b/ Including SA Rl 10 million for broadcasting activities; SA Rl 13 million for expropriation of property; SA Rl 5.3 million for defence.

Table VI-8. Syria: Planned Development Expenditures and Sources of Public Finance, 1960/61-1964/65

(Millions of Syrian pounds)

Item	Public	Private	Total
<u>Expenditures:</u>			
Agriculture ^{a/}	875	225	1,100
Industry ^{b/}	240	269	509
Transport and communications	387	150	537
Social development ^{c/}	218	266	484
Changes in stocks	-	90	90
Total	1,720	1,000	2,720
<u>Sources of public finance:</u>			
Various budgetary and non-budgetary surpluses	1,030		
Foreign aid and loans	640		
Miscellaneous sources	50		
Total	1,720		

Source: Syria, Ministry of Planning, The Five-year Economic and Social Development Plan, 1960/61-1964/65, June 1960 (in Arabic).

Note: The plan contains a serious statistical discrepancy, whereby total resource uses exceed total resource availabilities by LS 545 million.

a/ Including irrigation and land reclamation.

b/ Including electricity, mining and petroleum.

c/ Comprising education, health services, public utilities and tourism, population settlement, social affairs, recreation, and laboratories, training and research.

Table VI-9. Turkey: Estimated Public and Private Investment Expenditures, 1959-1962
(Millions of Turkish liras at 1961 prices, except as indicated)

Item	1959	1960	1961	1962
<u>Public investments:</u>				
General and annexed budgets	2,174	2,382	2,860	3,100
Local authorities	465	428	400	400
State economic enterprises	776	822	1,050	1,486
Total	3,415	3,632	4,310	4,986
<u>Private investments:</u>				
Construction of housing	1,873	2,199	1,945	2,100
Other	1,701	1,782	769	1,350
Total	3,574	3,981	2,714	3,450
Grand total	6,989	7,613	7,024	8,436
Percentage of national expenditure	14.2	14.8	13.9	15.4

Source: Turkey, State Planning Organization, Programme for the Year 1962 (Ankara, 1961), page 34b.

Table VI-10. United Arab Republic (Egypt): Total Investment and its
Distribution between Foreign and Domestic Currencies,
1960/61-1964/65

(Millions of Egyptian pounds at 1959/60 prices)

Item	Foreign	Domestic	Total	
Agriculture	53.8	171.5	225.3	
Irrigation and drainage	13.1	106.3	119.4	
High dam	12.0	35.3	47.3	
Industry	286.3	152.9	439.2	
Electricity	88.7	50.8	139.5	
Transport, communications and storage	96.4	140.4	236.8	
Suez Canal	15.8	19.2	35.0	
Dwellings	29.4	145.2	174.6	
Public utilities	17.7	31.1	48.8	
Services	32.8	78.2	111.0	
	Total	646.0	930.9	1,576.9
Changes in stock .....	...	...	120.0
	Grand total		1,696.9	

Source: United Arab Republic (Egypt), National Planning Committee,
The Framework of a Five-year Plan for Economic and Social Development,
July 1960-June 1965 (Cairo, 1960) (in Arabic).

Table VII-1. Middle East: Estimates of Total Population, by Country
(Thousands; percentage)

Country	1950	1955	1960	Percentage increase 1950 to 1960
Aden Colony	100	139	155	55
Aden Protectorate .....	...	...	660 ^{a/}	...
Bahrain ^{b/}	110	128	147	34
Cyprus	485	520	563	16
Gaza ^{c/}	198	214	256	29
Iran	16,276	18,325	20,182	24
Iraq	5,278	6,152	7,085	34
Israel	1,258	1,748	2,114	68
Immigration	(170)	(36)	(24)	...
Jordan ^{d/}	1,269	1,437	1,695	34
Kuwait ^{e/}	170	203	219 ^{a/}	29
Lebanon ^{f/}	1,257	1,466	1,646	31
Muscat and Oman ^{g/} .....	...	...	550 ^{a/}	...
Qatar	20 ^{h/}	35	45	125
Saudi Arabia .....	...	6,036	...	...
Syria ^{i/}	3,215	3,861	4,555	42
Trucial Oman ^{j/}	80 ^{h/}	80	86	8
Turkey ^{k/}	20,947	24,065	27,829	33
UAR (Egypt)	20,393 ^{l/}	23,063 ^{l/}	25,929 ^{m/}	27
Yemen	4,500 ^{h/}	...	...	...
Total ^{n/}	71,056	81,436	92,506	30

Source: United Nations, Demographic Yearbook, 1960 (Sales No.: 6L.XIII.1); Statistical Yearbook, 1960; Monthly Bulletin of Statistics, February 1962; Population and Vital Statistics Report, Statistical Papers, Series A, vol. XIII, No. 2; Food and Agriculture Organization of the United Nations, Production Yearbook, 1960, vol. 14 (Rome); Israel: Statistical Abstract, 1961.

a/ 1959.

b/ Beginning 1956, excluding alien armed forces, merchant seamen and foreign diplomatic personnel.

c/ Registered Palestinian refugees only.

d/ Excluding foreigners and military personnel and their dependents living on military installations; including registered Palestinian refugees numbering 613,743 on 30 June 1960.

e/ The latest census, taken on 28 February 1957, showed a population of 206,473.

f/ Lebanese nationals only; excluding registered Palestinian refugees numbering 136,561 on 30 June 1960.

g/ Including data for port and peninsula of Gwadar ceded to Pakistan 8 September 1958.

h/ 1949.

i/ Excluding Palestinian refugees numbering 126,662 on 31 December 1960.

j/ Comprising the seven sheikdoms of Abu Dhabi, Dubai, Sharjah, 'Ajman, Umm al Qaiwain, Ras al Khaimah and Al Fujairah and the area lying within the modified Riyadh line, as announced in October 1955.

k/ Estimates as at 20 October of year stated.

l/ Excluding nomad population numbering 55,073 at 1947 census.

m/ According to the preliminary results of the 1960 census, total population in the United Arab Republic (Egypt) was 26,080,000.

n/ Excluding Aden Protectorate, Muscat and Oman, Saudi Arabia and Yemen.

Table VII-2. Bank Credit Outstanding^{a/} and its Distribution between the Public and Private Sectors, by Country

(Millions of national currency units, except as indicated)

Country, currency and item	1956	1957	1958	1959	1960	1961
<u>Cyprus</u> (Cyprus pounds):						
Claims on private sector b/	15.98	22.53	23.91	31.03	34.57	...
<u>Iran</u> (thousands of rials):						
Claims on Government c/	19.34	22.90	27.00	28.93	32.35	29.53
Claims on private sector	10.82	13.98	22.61	32.24	39.54 d/	46.69
<u>Iraq</u> (Iraqi dinars):						
Claims on Government	25.2	31.3	31.1	26.6	30.8	33.8 d/
Claims on private sector	33.9	40.1	39.5	44.6	53.4	60.0 d/
<u>Israel</u> (Israel pounds):						
Claims on Government	380.6	422.6	433.1	435.7	462.8	464.7
Claims on private sector	458.1	545.0	688.8	834.6	975.2	1,243.6
<u>Jordan</u> (Jordanian dinars):						
Claims on official entities	0.69	0.72	0.84	0.80	0.94	0.58
Claims on private sector	7.48	10.04	10.15	12.35	15.84	18.06
<u>Lebanon</u> (Lebanese pounds):						
Claims on Government	87.0	85.0	94.0	94.0	104.0	104.0
Claims on private sector	482.0	602.0	585.0	709.0	1,002.0	1,111.0 d/
<u>Syria</u> (Syrian pounds):						
Claims on Government	310.0	326.0	367.0	445.0	513.0	608.0 d/
Claims on private sector	445.0	477.0	459.0	557.0	696.0	655.0 d/
<u>Turkey</u> (thousands of Turkish liras):						
Claims on Government	2.37	2.99	3.23	3.70	4.33	8.48 e/
Claims on private sector	8.90	10.82	12.30	13.83	14.29	11.68 e/
<u>UAR (Egypt)</u> (Egyptian pounds):						
Claims on Government	205.2	250.5	269.4	293.0	370.7	444.4 d/
Claims on private sector	195.1	221.8	247.8	304.7	309.8	243.4 d/

Source: International Monetary Fund, International Financial Statistics, March 1962;
Cyprus: Economic Review, 1960.

a/ Data normally refer to end of year, except as indicated.

b/ Loans, advances and local bills discounted.

c/ Including claims on official entities.

d/ End of September.

e/ End of August.

Table VII-3. Indices of Cost of Living and Wholesale Prices,^{a/} by Country
(1953 = 100)

Country and item	1956	1957	1958	1959	1960	1961
<u>Cyprus:</u>						
Cost of living, all items	119	127	133	135	136	135
Cost of living, food	118	124	129	128	131	128
<u>Iran</u>						
Cost of living, all items	130	139	138	152	164	161
Cost of living, food	121	126	120	135	147	149
General wholesale prices <u>b/</u>	123	123	119	99	102	105 <u>c/</u>
<u>Iraq (Baghdad):</u>						
Cost of living, all items <u>d/</u>	107	113	108	107	111	112 <u>e/</u>
Cost of living, food <u>d/</u>	110	116	110	111	117	119 <u>e/</u>
General wholesale prices	104	108	97	106	110	109 <u>e/</u>
<u>Israel:</u>						
Cost of living, all items	127	135	139	141	144	152 <u>e/</u>
Cost of living, food	126	132	136	137	139	147 <u>e/</u>
General wholesale prices (Haifa, Jerusalem and Tel Aviv)	131	150	153	153	151	...
<u>Jordan (Amman):</u>						
Cost of living, all items	101	107	...	...	...	...
Cost of living, food	103	110	...	...	...	...
General wholesale prices	87	85	91	93	101	...
<u>Lebanon (Beirut):</u>						
Cost of living, all items <u>f/g/</u> ...	102	109	114	118	122	121 <u>e/</u>
Cost of living, food <u>f/</u>	105	114	118	121	126	122 <u>e/</u>
General wholesale prices	98	100	101	102	...	...
<u>Syria (Damascus):</u>						
Cost of living, food <u>h/</u>	104	109	102	106	111	113
General wholesale prices	102	98	96	101	106	105
<u>Turkey:</u>						
Cost of living, all items (Istanbul)	136	152	171	216	228	235
Cost of living, food (Istanbul) ..	132	147	162	210	227	241
General wholesale prices	139	164	189	227	239	245 <u>e/</u>
<u>UAR (Egypt):</u>						
Cost of living, all items (Cairo).	98	102	102	102	103	103 <u>e/</u>
Cost of living, food (Cairo)	104	109	110	111	112	112 <u>e/</u>
General wholesale prices	110	119	118	117	118	120 <u>i/</u>

Source: United Nations, Monthly Bulletin of Statistics, March 1962; Jordan: Statistical Yearbook, 1957 and 1960.

a/ Annual averages, except as indicated.

b/ Beginning April 1959, base 21 March 1959-20 March 1960. Prior to April 1959, Tehran only.

c/ Average of first five months.

d/ Unskilled labourers.

e/ Average of nine months.

f/ Salaried employees.

g/ Including direct taxes.

h/ Including soap, kerosene and cigarettes.

i/ Average of eight months.

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