



ECONOMIC DEVELOPMENTS
IN THE **MIDDLE EAST**

1961-1963

Supplement to World Economic Survey, 1963

UNITED NATIONS



Department of Economic and Social Affairs

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FOREWORD

This report, Economic Developments in the Middle East, 1961-1963, forms part of an annual appraisal of economic conditions and trends intended to meet the requirements of the Economic and Social Council and other organizations of the United Nations. It is a continuation of the series of studies on the Middle East, of which the most recent was Economic Developments in the Middle East, 1959-1961 (Sales No.: 62.II.C.2).

The present study reviews the current economic developments in the Middle East in the period from 1961 to 1963. However, reference is often made to developments since 1957 in order to present a clearer picture of trends in the area. As statistical data are not always available to the end of 1963, 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 present report also includes a statistical appendix, consisting of forty-five tables, which is designed to give as up-to-date and reliable information as possible on various sectors of economic activity for the countries of the region. The appendix tables are classified under six headings: agriculture, industry and mining, petroleum, foreign trade and payments, transportation, and miscellaneous indices.

This report covers Aden, Bahrain, Iraq, Israel, Jordan, Kuwait, Lebanon, Muscat and Oman, Qatar, Saudi Arabia, Syria, the Trucial Coast and Yemen. Lack of adequate data prevented full discussion concerning all the countries mentioned. Those which have received the fullest treatment are Iraq, Israel, Jordan, Lebanon and Syria. The term "Middle East", as used in this report, covers all the countries just mentioned, plus Cyprus, Iran, Turkey and the United Arab Republic.

This report was prepared in the United Nations Department of Economic and Social Affairs by the Economic and Social Office in Beirut. 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 the methods of compilation, 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., 1962/63.

Use of a hyphen (-) between dates representing years, e.g., 1957-1962, 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: AID for Agency for International Development [United States]; Aminoil for American Independent Oil Company; Aramco for Arabian American Oil Company; EEC for European Economic Community; FAO for Food and Agriculture Organization of the United Nations; GDP for Gross Domestic Product; GNP for Gross National Product; IMF for International Monetary Fund; NDP for Net Domestic Product; NNP for Net National Product; OPEC for Organization of Petroleum Exporting Countries; Tapline for Trans-Arabian Pipeline Company; UNICEF for United Nations Children's Fund; UNRWA for United Nations Relief and Works Agency.

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

Between 1960 and 1963, the countries of the Middle East covered by this report experienced generally favourable developments, which, however, varied considerably from one country to another, and, within each country, from one economic sector to another. Of the factors contributing to these favourable developments, improvement in weather conditions in 1961, 1962 and 1963 was the most important, being largely responsible for the substantial increases in the economic activities of the region as a whole. Increased rainfall raised agricultural production and income in the agricultural sectors of all countries. The rise in agricultural income in 1962, as compared to 1960, was about 63 per cent in Syria, 40 per cent in both Iraq and Jordan, 23 per cent in Israel, and 12 per cent in Lebanon.

The combined income (at current factor cost) of five Middle East countries, for which data were available, 1/ rose from roughly \$3.98 billion in 1960 to slightly over \$5 billion in 1962, thus registering a 26 per cent increase in two years. 2/ Official estimates show that the combined population of these countries increased from about 16.9 million in 1960 to 17.8 million in 1962, representing a 5 per cent increase in two years. The combined per capita income (at current prices) rose from about \$235 in 1960 to about \$282 in 1962, representing a 20 per cent increase in two years. 3/

The year 1961, when substantial increases were registered, constituted a turning point for the region's output of agricultural products. Wheat, one of the important crops, was most favourably affected. Its combined output rose to an index of 148 in 1961 and 212 in 1962 (1960=100). The combined output of barley increased

1/ Iraq, Israel, Jordan, Lebanon and Syria.

2/ The following figures give a breakdown of the national income (at current factor cost) in millions of dollars:

	1960	1962	Percentage increase
Iraq (NNP)	1,224.0	1,474.0	20.4
Israel (NNP)	1,314.0	1,847.0	40.5
Jordan (GNP)	247.0	314.0	27.1
Lebanon (NNP)	574.0	637.0	10.9
Syria (NNP)	617.0	747.0	21.1

3/ The per capita income (at current prices) for the countries involved was as follows (in dollars):

	1960	1962	Percentage increase
Iraq	186	216	16.1
Israel	611	826	35.1
Jordan	143	172	20.2
Lebanon	349	362	3.7
Syria	127	144	13.3

to an index of 137 in 1961 and 200 in 1962 (1960=100). While the increases in the output of wheat and barley were largely due to the rise in yield per hectare, the rise in the combined output of cotton, amounting to about 15 per cent in 1961 and a further 16 per cent in 1962, was caused by the expansion in the acreage under cultivation. Except for rice, the output of which declined substantially in 1961 and, in 1962, remained lower than the 1960 level, production of the region's other main agricultural crops showed marked increases in the same period.

As a result of these favourable developments, the combined income (at current factor cost) originating in the agricultural sectors of these five countries rose from about \$728 million in 1960 to \$1,024 million in 1962. 4/ The relative rise in agricultural income was highest in Syria, followed by Iraq, Jordan, Israel and Lebanon in the order named. 5/ Since income originating in the other sectors of most of these economies also increased, the relative contribution of the combined agricultural income to total income increased only slightly, from 18.3 per cent in 1960 to about 19.6 per cent in 1961 and 20.4 per cent in 1962. The rise in agricultural income, as well as the percentage share of agricultural income in total income, varied significantly, however, from one country to another. In Iraq, Jordan and Syria, income originating in agriculture increased at a faster rate than that in other sectors: thus, the relative contribution of agriculture to national income in each of these countries was higher in 1961 and 1962 than in 1960. In Israel, the percentage share of agricultural income in total income, having risen only slightly in 1961, fell in 1962 to a level even lower than that of 1960. There was no change in the relative contribution of agricultural income to total income in Lebanon.

It must be emphasized, however, that despite these favourable developments in agriculture, the recurrent droughts and other unfavourable weather conditions which have often seriously affected the region's production of agriculture in the recent past brought to focus the urgent need for the adoption and implementation of vigorous programmes in the field of irrigation and land reclamation, as well as in such other fields as agrarian reform, agricultural productivity, co-operatives, rural training centres and agricultural credit and marketing facilities.

The analysis of the rate of development in the industrial sectors 6/ in this period reveals that the combined income (at current factor cost) of the five countries mentioned above rose from about \$633.6 million in 1960 to \$807.6 million in 1962. 7/ The rate of increase in industrial income was highest in Israel,

4/ In 1962, the contribution of each of the five countries to the combined agricultural income (at current factor cost) was as follows: Iraq, 37.8 per cent; Israel, 18.6 per cent; Jordan, 5 per cent; Lebanon, 8.8 per cent; and Syria, 29.5 per cent.

5/ The rate of increase in agricultural income in 1962, as compared to 1960, in each of the five countries was as follows: Syria, 63.6 per cent; Iraq, 43.5 per cent; Jordan, 41.4 per cent; Israel, 23.2 per cent; and Lebanon, 12 per cent.

6/ Excluding the oil sector in Iraq.

7/ In 1962, the relative contribution of each of the five countries to the combined industrial income (at current factor cost) was as follows: Iraq, 18.8 per cent; Israel, 56.8 per cent; Jordan, 3.4 per cent; Lebanon, 9.3 per cent; and Syria, 11.6 per cent.

followed by Jordan, Iraq and Lebanon. In Syria, industrial income actually declined to an index of 94.7 in 1962 (1960=100). ^{8/} Although the combined share of industrial income in total income remained practically unchanged at about 16 per cent in 1962, as compared with 1960, the relative contribution of industry to total income varied considerably from one country to another. Between 1960 and 1962, it fell in Syria, Lebanon and Jordan, remained unchanged in Iraq, and increased only very slightly in Israel. In 1962, the relative contribution of industry to total income was highest in Israel, followed by Syria, Lebanon, Iraq and Jordan in that order. ^{9/}

Israel's index of industrial production rose by 31 per cent in two years. The manufacturing industry was the main contributor to this rise, followed by the chemical, metal, food and mining industries, and was supported by substantial increases in electric energy. The rise in Jordan's industrial activity in 1961 was mainly the result of a sharp increase in its production of phosphates and cement. In the remaining three countries, the contributions of the industrial sectors remained relatively small, and the activities within each industrial sector showed substantial fluctuations with no clear development pattern. Growth in the industrial sectors did not materialize as rapidly as expected in these three countries, despite the existence of plans, which included, among other things, programmes for accelerated industrial development. In Iraq and Syria, for example, only a small fraction of the public investment intended for the development of the industrial sectors was spent in the first two years of their respective plans. The various difficulties encountered in the field of industrialization prompted some of these countries to reformulate their plans, to set up special industrial advisory boards in order to speed up industrialization efforts, and to enact special industrial development legislation designed to encourage, through different types of incentives, private enterprise (both domestic and foreign) to take a more positive and active role in the field of industrialization. In Iraq and Saudi Arabia, for example, newly introduced measures exempt imported industrial capital equipment, semi-finished industrial goods, and industrial raw materials from customs duties. These measures also liberalize, under specified conditions, income and property taxes for newly established industrial enterprises, and extend adequate protection to infant industries, with emphasis on labour-intensive enterprises as well as on industries with a high degree of import substitution.

The oil industry in the countries under consideration continued to expand in this period. Many of the developments that took place point to the expectation of continued expansion of the industry. ^{10/} The considerable amounts invested during

^{8/} Between 1960 and 1962, the percentage change in industrial income in each of the five countries was as follows: Israel, 45.7; Jordan, 22.3; Lebanon, 7.4; Iraq, 4.1; and -5.3 per cent in Syria.

^{9/} In 1962, the relative contribution of industrial income to total income in each of the five countries was as follows: Israel, 24.8 per cent; Syria, 12.5 per cent; Lebanon, 11.8 per cent; Iraq (excluding oil sector), 10.3 per cent; and Jordan, 8.9 per cent.

^{10/} Although oil companies operating in the region were responsible for most of the activities that took place in the oil industry in the period reviewed, recent developments indicate that the Governments of the oil-producing countries are planning to take an increasingly important interest in the development of the oil industry.

this period, as well as the recent announcements made by the oil companies operating in the region in connexion with their plans for further substantial investments, would all seem to indicate that the region's production of crude oil will continue to increase at a fast rate. A number of new oilfields have recently been put into production, while others are being developed. Furthermore, recent exploration and drilling operations have resulted in the discovery of several promising new oilfields which, when fully developed, will add substantially to the region's potential production of crude oil.

Since the oil industry provides the major part of their development funds and their foreign exchange, the oil-producing countries - and to a less extent the other countries of the region - are keenly interested in raising the production of crude oil, in obtaining a higher revenue from its exploitation, 11/ and in maintaining its prices. 12/ Yet, increased crude oil production in an already weak international market - and in the face of progressively increasing competition - 13/ may reduce the prospects of maintaining oil prices at the existing level.

Most countries covered by this report depend heavily on foreign trade. Iraq's exports of petroleum alone constituted in 1962 about 93 per cent of its total exports. Israel depends on the export of manufactured articles, including diamonds, to the extent of 67 per cent of its total exports; if the export of citrus fruits is added, this percentage becomes much higher. Syria and Jordan depend fairly heavily on the export of agricultural products and raw materials. In fact, the export receipts of almost all countries under consideration are largely based on the export of a few commodities: Iraq is heavily dependent on the export of oil, Israel on citrus fruits and diamonds, Jordan on crude fertilizers, fruits and vegetables, and Syria on wheat, barley and cotton.

These facts emphasize the extent to which these economies are vulnerable to changes in factors affecting their agricultural production and foreign trade. Almost all of these countries are seriously affected by variations in weather conditions,

11/ The raising of oil revenues was one of the two important issues that were the subject of negotiations between the Governments of the region and the oil companies; the other main issue concerned the restoration of crude oil prices to their pre-August 1960 level.

12/ The restoration of crude oil prices to their pre-August 1960 level was the major objective in establishing the Organization of the Petroleum Exporting Countries (OPEC) in 1960 and received special attention in the resolutions of the Organization and the negotiations with the oil companies, and also in the Fourth Arab Petroleum Congress.

13/ Middle East crude oil has been facing increasing competition, particularly from Africa and eastern Europe. Between 1960 and 1963, production of oil in Africa increased from 10,424,000 tons in 1960 to 50,800,000 tons in 1963; crude oil production in eastern Europe increased from 161,749,000 to 221,730,000 tons in the same period (the Soviet Union alone produced 147,864,000 tons in 1960 and 206,004,000 tons in 1963). Exports from Africa and the Soviet Union increased between 1958 and 1961 from 1.07 million to 19.27 million tons, and from 9.13 million to 23.39 million tons, respectively (see table III-4; United Nations, Monthly Bulletin of Statistics, June 1964, and World Energy Supplies, 1958-1961 (Sales No.: 63.XVII.4)).

as well as by external factors such as changes in the demand structure of the importing countries, fluctuations in international commodity prices and, because of the geographic concentration of trade, by changes in the economic and political conditions prevailing in the countries which are their trading partners.

The cyclical changes in weather conditions were clearly reflected in the fluctuating pattern of these countries' exports and imports. Between 1960 and 1962 - a period of relatively abundant rainfall and increased agricultural production - there were substantial rises in the exports and imports of practically every country. However, it was only in Israel that the ratio of exports of agricultural products to total exports declined and that of manufactured goods to total exports increased. In all other countries, the share of manufactured products in total exports declined in 1962, as compared to 1957.

Although total imports of all countries rose between 1960 and 1962 - the range of the rise being 25 per cent in the case of Israel and 2 per cent in the case of Iraq - there were marked differences in the composition of these imports. Imports of food items fluctuated, rising in Israel and Lebanon, but falling in Iraq, Jordan and Syria. Imports of raw materials increased in Israel, Jordan and Lebanon, but declined in Iraq and Syria. Although in Israel the proportion of imports of raw materials to total imports was considerably higher than in the other four countries, it nevertheless fell from 21 per cent in 1957 to 16 per cent in 1962. In the remaining four countries, this percentage either increased slightly or maintained about the same level. Imports of capital goods rose between 1960 and 1962 in all countries except Iraq; the rise was highest in Israel and Jordan, followed by Syria and Lebanon. Israel's imports of capital goods - amounting to 29 per cent of its total imports in 1962 - was the highest in the region.

All five countries under consideration continued to have substantial trade deficits in 1961 and 1962. Compared with 1960, however, these trade deficits improved slightly in Iraq and Syria in 1962, deteriorated in Israel and Lebanon, and remained unchanged in Jordan. At the same time, Israel, Jordan and Lebanon continued to have large payments deficits on current account. The deficit on Israel's current payments account in 1962 was much larger than its trade deficit. In 1962 and 1963, Iraq's earnings of foreign exchange from oil more than covered its trade deficit, thus resulting in a surplus on current account. A similar situation developed in Syria where earnings of foreign exchange from services, including revenue from oil transit, were sufficiently large to cover its trade deficit; in fact, a small surplus developed in Syria's current payments position in 1963. The greater part of the payments deficit of both Israel and Jordan was covered by official and private transfers, and, in the case of Israel, by the net inflow of capital. Lebanon's 1961 trade deficit was considerably reduced by earnings from services; private transfers, mostly emigrant remittances, and net inflow of capital more than covered the remaining part of Lebanon's 1961 payments deficit on current account.

A study of the geographic distribution of trade shows that the economies of almost all the countries under consideration are highly geared to those of other countries in the region, as well as to those of western Europe. Intra-regional

trade constituted a high percentage of the total trade of Jordan, Lebanon and Syria, 14/ but only a small proportion of the total trade of Iraq and Israel. 15/

In 1962, exports to western Europe constituted a high proportion of the total exports of Iraq (including oil), followed by Israel, Syria and Lebanon; 16/ Jordan's exports to western Europe were negligible. The proportion of imports from western Europe to total imports ranged from 50 per cent in Israel to 44 per cent in Jordan. During the period 1960-1962, the proportion of exports to western Europe increased for Iraq, Lebanon and, particularly, Syria. In Syria, the substantial rise in the relative share of exports to western Europe - from 22 per cent of its total exports in 1960 to 43 per cent in 1962 - was obviously caused by the tremendous increase in its agricultural output. The imports of these countries from western Europe remained high and showed no significant fluctuations.

Trade with the United States in 1961 and 1962 remained fairly stable, except for a slight increase in the relative imports of Israel and Lebanon. Exports of these countries to the United States continued to constitute a relatively small percentage, ranging from 15 per cent in 1962 in the case of Israel to less than 1 per cent in the case of Jordan and Iraq. Imports from the United States, however, constituted a considerably higher proportion of these countries' total imports, ranging in 1962 from 34 per cent in Israel to 12 per cent each in Iraq and Syria.

Trade with the centrally planned economies continued to constitute a small percentage of the total trade of the region, although the trend has been progressively rising in Iraq and Syria. There were substantial changes in the region's trade pattern with the rest of the world. The relative share in the total exports of Israel, Jordan and Lebanon to the rest of the world rose between 1960 and 1962; those of Iraq and Syria declined considerably. While the share of Israel's imports from the same group of countries declined during the same period, that of Jordan increased, and the relative position of the other three countries remained virtually unchanged.

14/ Between 1960 and 1962, Syria's intra-regional trade declined, mainly because of the disruption of relations with the United Arab Republic.

15/ Israel's intra-regional trade in this period was exclusively with Cyprus and Turkey.

16/ In 1962, exports to western Europe as a percentage of total exports were as follows: Iraq, 79; Israel, 55; Syria, 43; and Lebanon, 20.

CHAPTER 1

AGRICULTURE

Share of agriculture in national income

With the progress of industrialization, most of the Middle East countries showed a long-period trend of slow decline in the share of agriculture in total national product. In the short run, however, the dominating influence determining the volume of agricultural output seemed to be the degree of rainfall and its timing. Over the past few years, agricultural output in most of these countries has shown violent fluctuations, primarily as a result of changes in weather conditions.

After a serious set-back in agricultural production caused by unfavourable weather conditions for almost four consecutive years, an upward trend was resumed in the years following 1960/61. In Iraq, Jordan and Syria, income originating in the agricultural sector increased at a faster rate than that of other sectors, and the relative contribution of agriculture to national income in these countries was higher in 1961 and 1962 than in 1960 (see table 1-1). In Israel, the rise in agricultural income was more than matched by increases in income originating in other sectors, thereby slightly reducing the relative share of agricultural income in total income. There was no change in the percentage contribution of Lebanon's agricultural income to total income. In spite of this improvement, the share of agriculture in total output in all these countries remained less than that in 1957.

As shown in table 1-2, the three countries in the region most severely affected by weather conditions were Iraq, Jordan and Syria. In Iraq, the rise in agricultural production from the low point reached in 1960 resulted in annual increases in agricultural income of about 20 per cent in each of the subsequent years. In Jordan, the increase was 78 per cent in 1961 and in Syria it was about 27 per cent in 1961 and a further 40 per cent in 1962.

Table 1-1. Income Originating in the Agricultural Sector,
Selected Countries, 1957 and 1960-1962

(values in millions of national currency units)

Country and item	1957	1960	1961	1962
<u>Iraq</u>				
1. Agriculture	110.3	96.5	115.5	138.6
2. Net national product at current factor cost	352.7	437.1	484.2	526.5
3. (1) as percentage of (2)	31.3	22.1	23.9	26.3
<u>Israel</u>				
1. Agriculture	316.0	411.8	468.5	507.6
2. Net domestic product at current factor cost	2,403.0	3,550.6	4,221.7	5,042.3
3. (1) as percentage of (2)	13.2	11.6	11.1	10.1
<u>Jordan</u>				
1. Agriculture	12.8	13.0	23.1	18.4
2. Gross domestic product at current factor cost	64.6	87.1	109.0	106.5
3. (1) as percentage of (2)	19.8	14.9	21.2	17.3
<u>Lebanon</u>				
1. Agriculture	238.0	220.0	227.0	235.0
2. Net national product at 1954 constant factor cost	1,503.0	1,562.0	1,610.0	1,650.0
3. (1) as percentage of (2)	15.8	14.1	14.1	14.2
<u>Syria</u>				
1. Agriculture	1,067.0	636.0	805.0	1,129.0
2. Net national product at 1956 constant factor cost	2,451.0	2,123.0	2,357.0	2,786.0
3. (1) as percentage of (2)	43.5	30.0	34.2	40.5

Source: United Nations, Yearbook of National Accounts Statistics, 1962 (Sales No.: 63.XVII.2); K. Haseeb, "The National Income of Iraq, 1953-1963" (mimeographed); Israel: Central Bureau of Statistics, Statistical Abstract of Israel, 1963 (Jerusalem); Jordan: Department of Statistics, National Accounts, 1959-1962 (Amman); Lebanon: United States Embassy, Beirut, National Income Estimates, 1957-1963; Syria: Banque centrale de la Syrie, Bulletin périodique, first year, No. 2, 1963 (Damascus).

Table 1-2. Annual Percentage Changes in Agricultural and Total Income, Selected Countries, 1961 and 1962

Country and item	1961 ^{a/}	1962
<u>Iraq</u>		
Agriculture	+19.7	+20.0
NNP at current factor cost	+10.8	+8.7
<u>Israel</u>		
Agriculture	+13.8	+8.3
NDP at current factor cost	+18.9	+19.4
<u>Jordan</u>		
Agriculture	+77.7	-20.4
GDP at current factor cost	+25.2	-2.3
<u>Lebanon</u>		
Agriculture	+3.2	+3.5
NNP at 1954 constant factor cost	+3.1	+2.5
<u>Syria</u>		
Agriculture	+26.6	+40.2
NNP at 1956 constant factor cost	+11.0	+18.2

Source: Based on data in table 1-1.

a/ The percentage changes recorded in this year are with respect to 1960.

In Lebanon, agricultural income rose moderately in 1961 and 1962, as compared to 1960, and was slightly lower in 1962 than the 1957 level.

In Israel, agricultural production was not as seriously affected by changes in weather conditions as that of most countries in the region since the major agricultural products (mainly citrus fruits) depend more on irrigation than on rainfall. In fact, income arising in the agricultural sector continued to rise between 1960 and 1962, although the rate of increase fluctuated.

The recurring droughts - in particular the prolonged drought conditions of 1958-1961 - have caused considerable concern in government circles and have resulted in policy decisions for a maximum effort to stabilize and expand agricultural production through various irrigation and land improvement projects, and in the adoption of policies relating to land reform, reorganization of co-operatives and credit and marketing facilities, and agricultural extension services. 1/

1/ See the section below on "Development projects in agriculture".

Regional trends in agricultural production

Output of the major agricultural crops of the region, as shown in table 1-3, has generally risen very significantly during the years 1961/62 and 1962/63.

Table 1-3. Output, Acreage and Yield of Selected Crops
in 1960/61 and Indices for 1961/62 and 1962/63 a/

Crop and item	1960/61 ^{b/}	1961/62 (indices (1960/61 = 100))	1962/63
<u>Wheat</u>			
Output	1,272	148	212
Acreage	3,045	99	110
Yield	0.418	150	193
<u>Barley</u>			
Output	1,011	137	200
Acreage	1,892	102	110
Yield	0.534	134	182
<u>Rice^{c/}</u>			
Output	118	59	97
Acreage	76	84	111
Yield	1.553	69	87
<u>Pulses^{d/}</u>			
Output	63	175	267
Acreage	146	112	140
Yield	0.432	155	190
<u>Oil-seeds^{e/}</u>			
Output	260	114	137
Acreage	299	117	130
Yield	0.870	97	105
<u>Cotton (lint)^{f/}</u>			
Output	130	115	134
Acreage	254	119	139
Yield	0.512	97	96
<u>Tobacco</u>			
Output	24	96	100
Acreage	34	100	100
Yield	0.706	96	100

Table 1-3 (continued)

Crop and item	1960/61 ^{b/}	1961/62 (indices (1960/61 = 100))	1962/63
<u>Olives^{g/}</u>			
Output	90	188	120
Acreage	163	106	106
Yield	0.552	177	114
<u>Grapes^{h/}</u>			
Output	364	131	135
Acreage	121	105	106
Yield	3.008	124	127
<u>Citrus fruits^{h/}</u>			
Output	690	111	137
<u>Dates^{i/}</u>			
Output	337	80	94

Source: See appendix tables I-1 and I-4; Lebanon: Ministry of Agriculture, Bulletin of Agricultural Statistics, No. 1 (Beirut); Jordan: Ministry of National Economy, Department of Statistics, Statistical Yearbook, 1962 (Amman).

- a/ Unless otherwise indicated, the countries covered in these aggregates are Iraq, Israel, Jordan, Lebanon and Syria.
- b/ Output in thousands of tons, acreage in thousands of hectares, yield in tons per hectare.
- c/ Iraq and Syria only.
- d/ Dry beans, dry peas, broad beans, chick-peas and lentils.
- e/ Soya beans, ground-nuts, cotton-seed, linseed, sesame seed, sunflower seed and rape-seed.
- f/ Iraq, Israel and Syria only.
- g/ Excluding Iraq and Jordan.
- h/ Excluding Iraq.
- i/ Iraq only.

Particularly noteworthy was the increase in production of wheat and barley, which rose by over 100 per cent and led to a reduction in their imports and a significant increase in their exports, as shown in table 1-4.

The irrigated crops, such as cotton and citrus fruits, were little affected by drought conditions and generally maintained their progress in output through an expansion in the area under cultivation.

Table 1-4. Imports and Exports of Wheat and Barley,
Selected Countries, 1959-1962

(Thousands of tons)

Commodity and country	Imports				Exports			
	1959	1960	1961	1962	1959	1960	1961	1962
<u>Wheat and wheat flour</u>								
Iraq	145.7	206.3	414.0	-	-	-	-	38.8
Israel	284.0	282.2	321.9	275.2	21.1	8.0	17.8	4.4
Jordan	137.6	172.2	160.0	84.9	5.2	3.1	2.6	5.7
Lebanon	189.5	213.7	185.8	212.5	1.8	6.1	1.2	1.6
Syria	70.3	318.4	223.2	169.0	2.5	0.3	-	211.6 ^{a/}
Total	827.1	1,192.8	1,304.9	741.6	30.6	17.5	21.6	262.1
<u>Barley</u>								
Iraq	-	-	-	-	43.3	0.4	46.7	338.8
Israel	49.8	50.2	46.0	32.2	...	-	-	-
Jordan	19.2	22.5	10.5	13.1	...	...	2.5	1.6
Lebanon	32.6	33.2	52.7	49.9	1.4	1.6	1.6	23.2
Syria	6.4	93.1	22.0	16.9	-	-	25.5	390.4
Total	108.0	199.0	131.2	112.1	44.7	2.0	76.3	754.0

Source: United Nations, International Trade Statistics for the years 1959 to 1961; Food and Agriculture Organization of the United Nations, Monthly Bulletin of Agricultural Economics and Statistics, November 1963 (Rome); Iraq: Ministry of Planning, Central Bureau of Statistics, Statistical Abstract for the years 1960 to 1962 (Baghdad); Israel: Central Bureau of Statistics, Statistical Abstract of Israel, 1963; Jordan: Ministry of National Economy, Department of Statistics, Statistical Yearbook for the years 1960 to 1962; Lebanon: Ministère du Plan, Direction centrale de la statistique, Bulletin statistique trimestriel for 1959-1960 and 1960-1961, and Commerce extérieur du Liban, 1962 (Beirut); Syria: Ministère des Finances, Direction générale des douanes, Statistiques du commerce extérieur, 1962 (Damascus).

a/ Wheat only.

The considerable increase in the region's production of pulses, amounting to 75 per cent in 1961/62 and 167 per cent in 1962/63, as compared with 1960/61, was due both to a larger acreage under cultivation and a rise in yield per hectare. Expansion in area under cultivation was also responsible for the increase in production of oil-seeds, amounting to 13 per cent in 1961/62 and 37 per cent in 1962/63, as compared with 1960/61. The rise in output of grapes, amounting to 30 per cent in 1961/62 and very slightly more in the subsequent year, is to a large extent attributed to higher yields per hectare.

In contrast, the output of rice, dates and tobacco declined in 1961/62, but increased again (except for the production of dates which in 1962/63 was still lower than in 1960/61) to a level almost equal to that of 1960/61.

Country trends in production of major crops

Wheat

The drought conditions in the Middle East, which extended over the period 1958/59-1960/61, caused wheat production to fall by more than 1.5 million tons, from a total of 2.85 million tons in 1957/58 to 1.27 million tons in 1960/61. Abundance of rainfall in the 1961/62 season and the succeeding year again expanded regional output almost to its 1957/58 level. 2/ The countries most affected by these changes in the production of wheat were Iraq and Syria, which produce almost 90 per cent of the regional output. 3/

Iraq, which produced 46.5 per cent of the region's output of wheat in 1960/61, contributed about 43 per cent to the increase in output in 1961/62, and almost 28 per cent in the succeeding year. The increase in Iraq's output of wheat in both years is attributable mainly to a rise in yield per hectare, as well as to an expansion in acreage under cultivation, particularly in 1962/63. 4/ In 1963/64, there was a sharp drop in production, causing a decline of almost 57 per cent from the level of the preceding year and bringing production down to a level even lower than that of 1960/61. This fall in output was caused mainly by heavy and untimely rainfall which brought about wheat rust and some fungus infection. 5/ As a result of these changes, Iraq's imports rose at first to 206,000 tons in 1960 and to 400,000 in 1961. In the succeeding year, its imports were reduced to almost nil. However, the poor harvest in 1963 again rendered imports necessary, and an agreement was signed with the United States in August 1963 covering, among other things, the sale to Iraq of 50,000 tons of wheat for the financial year 1 July 1963-30 June 1964. 6/ This agreement was followed by another in December 1963, whereby the United States was to make available an additional 100,000 tons of wheat and wheat flour. Further measures to cope with the wheat shortage included the direct import of 100,000 tons of wheat. By the end of 1963,

2/ For details, see appendix, table 1-4.

3/ In 1962/63, Syria produced 50.9 per cent of the total output of the region, followed by Iraq (40.2 per cent), Jordan (4.2 per cent), Lebanon (2.8 per cent) and Israel (1.9 per cent).

4/ The index of yield rose from 100 in 1960/61 to 137 and 146 in 1961/62 and 1962/63, respectively. The acreage index rose to 106 in 1961/62 and to 125 in 1962/63 (1960/61 = 100).

5/ The Economist Intelligence Unit, Ltd., Iraq, No. 31, December 1963 (London), page 15.

6/ The agreement also covered the sale of 1,500 tons of raw tobacco and a quantity of poultry. The total value of the sale was estimated at \$6.86 million. Ibid., page 5.

15,000 tons of wheat had been received from the United States, 10,000 tons from Australia and 40,000 tons from Syria. 7/

Israel, Jordan and Lebanon together contributed slightly more than 24 per cent of the rise in the region's total output of wheat between 1960/61 and 1961/62. Jordan's contribution amounted to 15 per cent, followed by 5 per cent for Lebanon and 4 per cent for Israel.

In Israel, the improvement in weather conditions raised wheat output in 1961/62; in the succeeding two years, however, production declined slightly, although it remained higher than that in 1960/61.

Jordan's output of wheat, amounting to 220,000 tons in 1957/58, dropped to as low as 44,000 tons in 1960/61. Increased rainfall in the succeeding year, however, together with an expansion in acreage, caused production to treble in 1961/62, 8/ although in 1962/63 it again fell quite appreciably due to scarcity of rainfall. The improvement in wheat production in 1961/62 brought a decline in Jordan's imports from 160,000 tons in 1961 to about 34,900 tons in 1962. However, because the 1962/63 harvest was poor, imports became increasingly necessary in 1963. An agreement was signed with the United States, therefore, according to which the United States "Food for Peace Agency" agreed to supply, among other things, 30,000 tons of wheat. A second agreement with the Agency for International Development (AID) granted Jordan additional quantities of wheat under Public Law 480 to the value of JD 69,700. In 1963, the United States gave Jordan a further 40,000 tons of cereals in order to overcome its food shortage. 9/

The effect of increased rainfall was also felt in Lebanon both in 1961/62 and 1962/63. Wheat production increased from 40,000 tons in 1960/61 to almost 70,000 tons in the succeeding year, and again to 75,000 tons in 1962/63. Although rainfall was abundant in 1963/64, and yield rose from an index of 148 in 1962/63 to 176 (1960/61 = 100), the output of wheat actually dropped by 15,000 tons, 10/ presumably because of a 20 per cent decline in acreage. 11/

Syria, one of the two largest producers of wheat in the area, was hit hardest by the prolonged drought conditions. When rainfall became more favourable in 1961/62 and 1962/63, its agricultural production began to rise, more so in 1962/63 than in the preceding year.

7/ The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Iraq, August 1963, page 13, December 1963, page 15 and March 1964, page 6.

8/ The yield index was 139 in 1961/62 and 114 in 1962/63; the acreage index rose to 225 in 1961/62 and remained almost constant in 1962/63 (1960/61 = 100).

9/ The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Syria, Lebanon, Jordan, October 1962 (London), page 16 and May 1963, page 14.

10/ Lebanon's production data appearing in this section are based on recent information obtained from the Ministry of Agriculture and might, thus, diverge slightly from the appendix data.

11/ Le Commerce du Levant (Beirut), 4 March 1964, page 13.

Wheat, which constitutes a high percentage of Syria's agricultural production, contributed heavily to this rise. Its index rose from 100 in 1960/61 to 136 in 1961/62 and again to 248 in 1962/63. Since the area under cultivation fell moderately in this period, the dramatic increase in wheat output is entirely attributed to the rise in yield. 12/ In 1963, wheat production again took a downward swing due to late spring storms that caused serious crop damage.

Barley

Barley, produced mainly in Iraq and Syria, 13/ was also seriously affected by the drought. Its regional production fell from 2.2 million tons in 1957/58 to 1 million tons in 1960/61, but abundance of rainfall in the succeeding two years raised it to 1.38 million tons in 1961/62 and to 2 million tons in 1962/63.

Iraq's production of barley rose in 1961/62 by about 107,000 tons and in 1962/63 by 214,000 tons. As in the case of wheat, excessive rainfall in the succeeding year caused barley production to fall from its 1962/63 level of 1,125,000 tons to one of only 790,000 tons in 1963/64, lower than that of 1960/61. The rise in barley production in the first two years was due to the increase in yield, and that in 1962/63 to an expansion in the area under cultivation. 14/ This rise in output permitted Iraq's exports to increase considerably, from 400 tons in 1960 to 47,000 tons in 1961 and again to 339,000 tons in 1962.

In Israel, the production of barley also registered a relatively sharp rise, from 27,000 tons in 1960/61 to about 62,000 tons in 1961/62. In the succeeding two years, however, output dropped to 48,000 tons and then to 36,000 tons. The increase in Israel's production of barley in 1961/62, which was mainly due to the rise in yield, 15/ permitted its imports of this commodity to fall from 46,000 tons in 1961 to about 32,000 tons in 1962. 16/

Jordan's barley crop was seriously damaged in the drought period 1958/59-1960/61; its production fell from 81,000 tons in 1957/58 to only 13,000 tons in 1960/61. In 1961/62, an increase in rainfall raised output to 62,000 tons, but in 1962/63 it again dropped, to only 36,000 tons, although the actual area under cultivation was increased, 17/ and in 1963/64, another drought year for Jordan, production fell still further, to 23,000 tons. Jordan's imports of barley, having declined by almost 50 per cent in 1961 as compared to 1960, rose again in 1962.

12/ Wheat yield rose from an index of 100 in 1960/61 to 161 in 1961/62, and again to 271 in 1962/63.

13/ In 1962/63 the production of barley in each country, as a percentage of the total output of the region, was as follows: Iraq, 55.7; Israel, 2.4; Jordan, 1.8; Lebanon, 0.6, and Syria, 39.5.

14/ The index of yield rose from 100 in 1960/61 to 113 and 122 in the succeeding two years, and that of acreage, from 100 in each of 1960/61 and 1961/62 to 115 in 1962/63.

15/ Israel's yield index for barley rose at first from 100 in 1960/61 to 197 in 1961/62, but declined in the succeeding two years to 164 and 123.

16/ Data on Israel's imports of barley in 1963 are not available.

17/ In 1961/62, the yield and acreage indices rose to 203 and 235, respectively (1960/61 = 100). In 1962/63, however, while the acreage index rose to 268, that of yield declined to 104.

In Lebanon, where only a small fraction of the region's output of barley is produced, the relative decline in its price in 1960/61 may have been partly responsible for the fall in the acreage under cultivation. ^{18/} Thus, despite abundant rainfall in 1961/62 and 1962/63, barley output was only slightly higher in these years than in 1960/61 and was even lower in 1963/64.

The output of barley, one of Syria's important agricultural products, increased sharply between 1960/61 and 1963/64. Its index rose from 100 in 1960/61 to 215 in 1961/62, 512 in 1962/63 and 518 in 1963/64. The relative position of Syria's output of barley improved from 15 per cent of the region's total in 1960/61 to 49 per cent in 1963/64. Almost all of this increase was due to higher yields per hectare. ^{19/} As a result, Syria's imports of barley dropped from 93,000 tons in 1960 to only 22,000 tons in 1961 and to 17,000 tons in 1962. At the same time, its exports of barley rose from 25,000 tons in 1961 to over 390,000 tons in 1962.

Cotton

Of the total quantity of cotton lint produced in the region in 1960/61, which amounted to 130,000 tons, Syria alone produced about 85.4 per cent. Israel's production of cotton lint constituted 8.5 per cent of the total and Iraq's output made up for the rest. By 1962/63, the region's total output had gradually risen to 174,000 tons. Syria's production of cotton lint, having decreased only moderately during the drought period, rose from 111,000 tons in 1960/61 to 127,000 tons in 1961/62 and to 150,000 tons in each of the succeeding two years. Syria, therefore, accounted for approximately 90 per cent of the increase in the region's output of cotton lint between 1960/61 and 1962/63. Israel, whose output during the same period rose progressively from 11,000 tons in 1960/61 to 16,000 tons in 1962/63, accounted for the remaining increase of 10 per cent. In Syria, exports of cotton lint, one of its most important foreign exchange earning items, increased from 81,300 tons in 1960 to 88,400 tons in 1961 and reached a record level of 113,400 tons in 1962. ^{20/} In the case of both Syria and Israel, the rise in output of cotton was largely due to expansion in the area cultivated. ^{21/}

^{18/} Le Commerce du Levant, 4 March 1964, page 13.

^{19/} The high barley yield, the index of which rose to 220 in 1961/62 and 526 in 1962/63 (1960/61 = 100), was the main factor responsible for the sharp rise in production in these two years.

^{20/} United Nations, Yearbook of International Trade Statistics, 1961, (Sales No.: 62.XVII.8); République arabe syrienne, Ministère des Finances, Direction générale des douanes, Statistiques du commerce extérieur, 1962.

^{21/} The following indices of cotton yield and acreage are given for Israel and Syria (1960/61 = 100):

	<u>1961/62</u>	<u>1962/63</u>	<u>1963/64</u>
<u>Israel</u>			
Yield	82	94	...
Acreage	155	155	...
<u>Syria</u>			
Yield	98	96	98
Acreage	118	143	138

Fruits and vegetables

Citrus fruits, produced mainly in Israel and Lebanon, are most important to both countries as export products. In 1960/61, Israel produced 74.8 per cent of the region's total output, amounting to 690,000 tons; Lebanon produced 22.5 per cent and Jordan and Syria together produced less than 3 per cent. The region's output rose in 1961/62 by 62,000 tons, and by 196,000 tons in the succeeding year. In Israel alone the rise in output of citrus fruits between 1960/61 and 1962/63 amounted to 210,000 tons. The rise in Lebanon's output during the same period was in the neighbourhood of 45,000 tons. ^{22/} The output of dates ^{23/} in Iraq fluctuated between 1960/61 and 1962/63, falling by 20 per cent in 1961/62 and rising in 1962/63 to a level slightly lower than that of 1960/61.

The region's total output of grapes gradually increased from 364,000 tons in 1960/61 to 490,000 tons in 1962/63. Israel, which produced 14.6 per cent of this total in 1960/61, contributed about 19,000 tons to the increase. Its output rose from an index of 100 in 1960/61 (53,000 tons) to 121 in 1961/62 and to 136 in 1962/63. Jordan, which produced 11.8 per cent of the region's output of grapes in 1960/61, contributed about 36,000 tons. Having risen by almost 35,000 tons in 1961/62, its output remained almost constant in 1962/63. The rise in Jordan's output of grapes was due to the increase in yield as well as the increase in area. Lebanon's production of grapes, constituting about 19 per cent of the region's total output in 1960/61, increased from 70,000 tons in 1960/61 to 90,000 tons in 1961/62, but dropped to 85,000 tons in 1962/63. The rise was entirely attributable to the higher yield. Syria, which produced 54.4 per cent of the region's output of grapes, accounted for 44 per cent of the region's rise between 1960/61 and 1962/63. Higher yields, and, to a less extent, increased acreage under cultivation were both responsible for the rise in Syria's output of grapes.

Between 1960/61 and 1962/63, there were appreciable increases in the production of bananas in Israel, Lebanon and, to a less extent, Jordan. In Israel, output increased progressively from 34,000 tons in 1960/61 to 51,000 tons in 1963/64. Since the area under cultivation remained stable, the expansion in Israel's output was entirely due to the rise in yield. ^{24/} The annual output of bananas in Lebanon, one of the country's major export items, remained fairly stable between 1960/61 and 1962/63, at about 26,000 tons. During this period, the increase in the area under cultivation was offset by an equivalent decline in yields. Jordan's output of bananas, amounting to only 7,000 tons in 1960/61, was doubled in 1961/62 and again rose to a record output of 17,000 tons in 1962/63.

A few other agricultural commodities, which are specific to certain countries, deserve mentioning, since they constitute a significant proportion of their

^{22/} The increase in Lebanon's output of citrus fruits was entirely due to the rise in yield, its index having risen from 100 in 1960/61 to 125 in 1961/62. Data on acreage of citrus trees are not available for Israel. Most of the rise in Israel's output of citrus fruits took place in 1962/63, while that of Lebanon was mainly concentrated in 1961/62.

^{23/} Changes in the output of dates should be discussed with care, as production figures are estimated on the basis of exports, with allowances made for local consumption.

^{24/} Israel's yield index rose from 100 in 1960/61 to 144 in 1962/63.

agricultural output. In Jordan, the production of tomatoes fluctuated between 1960/61 and 1962/63; it increased from 156,000 tons in 1960/61 to 214,000 tons in 1961/62, but dropped to 169,000 tons in 1962/63. The increase in 1961/62 was due entirely to the expansion in the area under cultivation, 25/ while the fall in 1962/63 was caused by the decline in yield as well as in acreage. Jordan's exports of tomatoes, amounting to 36,000 tons in 1960, did not change appreciably in 1961 and 1962. 26/

The output of apples, one of Lebanon's major export products, increased sharply in 1961/62 to 85,000 tons (53,000 tons in 1960/61), but declined progressively in the succeeding two years. The rise in 1961/62 was due to increases in both yield and acreage, whereas the decline in output in 1962/63 and 1963/64 was caused mainly by falling yields.

Other major products

The region's total production of pulses increased from 63,000 tons in 1960/61 to 168,000 tons in 1962/63, Iraq and Syria producing the major part, followed by Lebanon and Jordan. 27/ Although Iraq's output increased from an index of 100 in 1960/61 to 128 in 1961/62 and again to 132 in 1962/63, its share in the total output of the region fell from 39.7 per cent in 1960/61 to only 19.6 per cent in 1962/63. There were no significant change in Israel's output of pulses. Jordan's, however, doubled in 1961/62 compared to the preceding year, rising from 6,000 tons to 12,000; production again rose in 1962/63 to 18,000 tons but declined in 1963/64 to 9,000 tons. Lebanon's production of pulses fell from 14.3 per cent of the region's total output in 1960/61 to only 4.8 per cent in 1962/63. In Syria, the expansion in the output of pulses was by far the highest in the region, the rise from an index of 100 in 1960/61 to one of 259 in 1961/62 and 491 in 1962/63 being sufficiently large to increase its share in the region's total from 34.9 per cent in 1960/61 to 64.3 per cent in 1962/63. In all countries, the rise in output of pulses resulted from higher yields and, to a less extent, from increases in acreage under cultivation. 28/

25/ The index for acreage rose from 100 in 1960/61 to 139 in 1961/62.

26/ United Nations, Yearbook of International Trade Statistics, 1961; Jordan, Ministry of National Economy, Department of Statistics, Statistical Yearbook for the years 1960 to 1962.

27/ In 1960/61, Iraq's production of pulses constituted 39.7 per cent of the region's total output, followed by Syria (34.9 per cent), Lebanon (14.3 per cent), Jordan (9.5 per cent) and Israel (1.6 per cent).

28/ The following yield and acreage indices are given for Iraq and Syria, the largest producers of pulses in the region (1960/61 = 100):

	<u>1961/62</u>	<u>1962/63</u>
<u>Iraq:</u>		
Yield	111	121
Acreage	115	109
<u>Syria:</u>		
Yield	218	289
Acreage	119	171

The region's output of oil-seeds, also produced mainly in Syria, ^{29/} increased gradually from 260,000 tons in 1960/61 to about 355,000 tons in 1962/63. Almost 93 per cent of this increase was due to a rise in Syria's production, the remaining part - approximately 7 per cent - resulting from increased output in Israel, Iraq and Lebanon. ^{30/} The increase in the region's output of oil-seeds was due mainly to higher acreage under cultivation. ^{31/}

Tobacco output in the region, amounting to 23,000 tons in 1960/61, declined slightly in the succeeding two years. Iraq's output of tobacco, constituting in 1960/61 about 52.2 per cent of the region's total output, fell from 12,000 tons in 1960/61 to 8,000 tons in 1961/62 and rose to 9,000 tons in 1962/63. The output of Syria and Lebanon, constituting in 1960/61 26 per cent and 13 per cent of the total output of the region, respectively, rose in 1961/62 by 1,000 tons each and remained at that level in 1962/63. Israel's production of tobacco (8.7 per cent of the 1960/61 total of the region) remained stable at 2,000 tons throughout the three-year period. Although Iraq continued to be the largest producer of tobacco, its share in the region's output declined in 1962/63 to 40.9 per cent. The position of Syria, Lebanon and Israel, on the other hand, improved to 31.8 per cent, 18.2 per cent and 9.1 per cent, respectively. ^{32/}

Between 1960/61 and 1962/63, the region's output of olives fluctuated, rising from 116,000 tons in 1960/61 to about 180,000 tons in 1961/62 and falling in 1962/63 to 115,000 tons. In 1960/61, Syria's production of olives constituted 45.7 per cent of the region's total output, followed by Lebanon (25.9 per cent), Jordan (14.7 per cent), Iraq (7.8 per cent) and Israel (6 per cent). The progressive rise in the output of olives in Syria (from 53,000 tons in 1960/61 to 87,000 in 1962/63) was entirely due to increases in yields. In Lebanon,

^{29/} Syria's production of oil-seeds in 1960/61 amounted to 73.8 per cent of the region's total output, followed by Israel with 14.6 per cent, and Iraq with 10 per cent. Lebanon and Jordan both produced less than 2 per cent.

^{30/} Israel accounted for slightly more than 3 per cent of the increase in the region's output of oil-seeds, Iraq for about 1 per cent and Lebanon for approximately 2 per cent. There was no change in Jordan's output of oil-seeds during this period.

^{31/} In Syria, where the greater part of the oil-seeds is produced, the relevant indices are as follows (1960/61 = 100):

	<u>1961/62</u>	<u>1962/63</u>
Yield	99	107
Acreage	117	137

^{32/} Indices of tobacco yield and acreage for Iraq, Syria and Lebanon were as follows (1960/61 = 100):

	<u>1961/62</u>	<u>1962/63</u>
<u>Iraq</u>		
Yield	72	75
Acreage	92	100
<u>Syria</u>		
Yield	130	117
Acreage	90	100
<u>Lebanon</u>		
Yield	122	122
Acreage	100	105

olive production fluctuated wildly, doubling in 1961/62, declining drastically in 1962/63 to almost one-half of the 1960/61 quantity and rising very sharply in 1963/64. Jordan's output of olives, on the other hand, declined consistently from 17,000 tons in 1960/61 to only 7,000 tons in 1962/63. The wide fluctuation in Lebanon's output of olives and the persistent fall in Jordan's output were primarily attributable to changes in weather conditions. 33/

Rice production, confined mainly to Iraq, declined by 42 per cent in 1961/62 to 68,000 tons (118,000 tons in 1960/61) primarily due to insufficiency of irrigation water. 34/ Abundance of rainfall in 1962/63 and 1963/64 raised its output in those years to 113,000 tons and 143,000 tons, respectively.

Development projects in agriculture

Iraq's Five-Year Plan (1961/62-1965/66) 35/ envisaged the expenditure of over ID 556 million on economic and social development, of which 20 per cent was earmarked for projects in the agricultural sector. Most of the agricultural projects included in this plan are related to irrigation and drainage, water storage and drilling and silos, in addition to expenditures in connexion with agrarian reform.

The Planning Authority of Iraq announced in March 1963 the allocation of ID 3.6 million for the completion of the dam at Derbendi Khan. This dam, which began storing water in November 1961, is planned to have a storage capacity of 3,250 million cubic metres and a hydro-power potential of 112.5 megawatts. Its completion will create irrigation possibilities along the Divala River. 36/ A sub-contract of ID 180,000 was also authorized for the supply and installation of equipment for the Dibbis dam. The Dibbis dam is the corner-stone of the interconnected developments of the Zab-Adhaim-Divala scheme, known as the ZAD scheme. Furthermore, the Planning Authority announced approval of the Eski Mosul dam which, upon completion within five years, will cost about ID 65 million. This dam is planned to store 13,800 million cubic metres of water for irrigation, reclaim a large area in the Jezireh and balance the flow of water to the Samarra hydroelectric scheme. Also, the Planning Authority tendered the Kut barrage of the Dalmaaj project. The Dalmaaj and Suwaira schemes consist of constructing irrigation works on the Tigris in the Kut area. 37/

33/ Output data for Iraq are not available for 1961/62 and 1962/63.

34/ Iraq, Ministry of Planning, Central Bureau of Statistics, Statistical Abstract, 1961, page 54.

35/ This plan is being revised.

36/ The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Iraq, May 1963, page 10.

37/ Ibid., Annual Supplement, December 1963, page 11, and March 1964, page 13.

In addition to the schemes mentioned above, the Iraqi development plan includes the following: (a) the Eski-Kalak irrigation project, which aims at irrigating about 25,000 hectares and which is now under construction; (b) the completion of the Gharraf project and the associated Shattra drainage, which are planned to irrigate 75,000 hectares. Four regulators on the Gharraf were completed in July 1962 and the dykes were raised in 1963. In December 1963, a tender was issued for the purchase of additional water control equipment needed for the Gharraf regulators; (c) a barrage at Dibbis on the Lesser Zab, which is under construction within the Kirkuk and Hawija irrigation project. The first stage of the main canal is scheduled to irrigate 75,000 hectares, while the extension of the main canal to Adhaim, which is in the design stage, aims at irrigating a further 250,000 hectares. The Kirkuk-Hawija-Adhaim sections will cost ID 57 million, of which only ID 12 million are included in the plan.

Within the extensive artesian well construction programme, 692 wells were completed by the end of 1961. In 1962, an additional 110 wells were being drilled by a Yugoslav concern in the northern and southern deserts; a further 100 wells in Mosul liwa (province) and 120 in the Kirkuk-Arbil area were scheduled for contract drilling. In the meantime, the Iraqi Government drew up plans for the drilling of another 850 wells.

Contracts were also awarded to two Iraqi companies for the construction of two silos of 12,000-ton capacity in Baghdad and Kut, with equipment provided under the Iraqi-Soviet agreement. Furthermore, the semi-autonomous Grain Board planned to construct silos of 12,000 tons at Baqba and Diwanayah and one of 24,000 tons at Kirkuk.

The Dairy Administration of the Iraqi Ministry of Agriculture tendered the construction of a central dairy at Abu Ghraib, for which the United Nations Children's Fund (UNICEF) will contribute machinery. Upon completion, the new dairy will raise the output capacity of milk from the present level of 20,000 litres per day to 50,000.

In the field of agrarian reform, three new legislative measures were announced in June 1963. The first exempts the beneficiaries from one-half of the dues on distributed land and provides for the repayment of the remainder within forty years. Interest on these payments and on the landlord's compensation was reduced from 3 to 2 per cent. One-half of the landlord's compensation will be lent to the Agricultural Bank against bonds to be amortized over twenty years; the other half will be settled immediately if the sum involved is below ID 1,000. Payment will be extended over a period of twenty years if the amount is between ID 1,000 and ID 10,000 and over a period of forty years if it exceeds ID 10,000. 38/

The other two laws are designed mainly to protect against encroachment and they stipulate the conditions for joint planting in orchards. A bill was also drafted for the purpose of regulating co-operatives in such a way as to enable them to play an important role in the land reform movement. The Directorate-General

38/ Progress in Land Reform (Third Report), a joint publication of the United Nations, the Food and Agriculture Organization of the United Nations and the International Labour Organisation (Sales No.: 63.IV.2), pages 26 and 27.

of Agricultural Co-operatives and the Directorate-General of Irrigation were formally integrated within the Ministry of Agrarian Reform with a view to increasing their efficiency and co-ordination.

Recently, the Iraqi Government announced that by the end of May 1963, a total of 411,000 hectares of land had been distributed and that a further 280,000 hectares were planned for distribution before the end of that year. As of September 1963, a total area of 1.6 million hectares had been appropriated.

In addition to direct distribution, land was leased to farmers under the general management of the Iraqi State. There is also a long-term programme for the establishment and improvement of about 3,000 villages in the distribution areas to be equipped with government centres and schools. The Iraqi Government feels that these areas can be more adequately prepared by providing them with machinery and tools, organizing them into co-operatives and ensuring them adequate irrigation facilities. 39/

In Israel, the Jordan Water Scheme constitutes the most important project in the agricultural field. The plan consists of diverting part of the waters of the River Jordan for irrigation purposes in the Negev. The eighty-eight mile pipeline, which will draw the water from Lake Tiberias to the headworks of the Yarkon-Negev pipelines near Tel Aviv, has been completed. It will temporarily carry only one-half of the total annual capacity of 320 million cubic metres. The plan envisages that by 1966 the Jordan Water Scheme will be operating at full capacity. A large proportion of the water will be used in the first stages to replenish underground reserves. It is expected that the irrigation of the Negev will make it possible for Israel's population to increase to about 3 million by 1970 and to 4 million by 1980. 40/

Another agricultural development in the Negev consists of a newly introduced method of irrigation designed to save 35 per cent of the water for further use in irrigation. According to this new method, water is brought directly to the roots of plants by underground narrow plastic pipes, resulting in little wastage. 41/

The Government of Israel also intends to implement, as early as possible, the Galilee development plan proposed three years ago. This plan aims, among other things, to solve the problems of unskilled immigrants. The first stage consists of building roads and constructing 1,000 houses between Shafram, Nazareth and the north-western frontier. At a later stage, it is expected that about eight new towns and thirty new villages will be erected in the Galilee. 42/

39/ The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Iraq, August 1963, pages 5 and 6; Annual Supplement, December 1963, page 9 and March 1964, page 7.

40/ The Economist Intelligence Unit Ltd., Three-Monthly Economic Review, Israel, November 1962 (London), pages 4 and 5, and January 1964, page 1.

41/ Ibid., November 1962, page 7.

42/ Ibid., October 1963, page 6.

Jordan's Five-year Programme for Economic Development envisaged a total expenditure of JD 127.3 million, of which 32 per cent was to cover investments in the agricultural sector. Planned public investment in agriculture constituted 43 per cent of total planned public investment. 43/ The major planned projects in the agricultural sector included investments for irrigation and land reclamation, afforestation and agricultural credit.

Work on the East Ghor Canal project has been in progress since 1957. Upon completion of 69 kilometres of canals under this project, 12,000 hectares of land in the Jordan Valley will be put under irrigation. The first section of this project, comprising 23 kilometres of canals, was completed in October 1961 at a cost of JD 4.25 million, and the remaining part of the canal was supposed to be completed by mid-1963. The third and last stage of this project, for which the United States provided \$2.5 million, is now in process of completion. 44/

In May 1963, the Government of Jordan signed an agreement with Energo of Yugoslavia concerning the preparation of preliminary plans for the Yarmouk project. The cost of this project is estimated at JD 35 million, of which 5 per cent will be paid by Syria. Two power stations will be built and about 50,000 hectares of land reclaimed. Work is due to begin on the site by 1965 and is expected to be completed in 1970. A loan of JD 4 million from the Kuwait Development Fund has been allocated for the first stages of the Yarmouk project, including JD 700,000 for technical studies to be undertaken by Energo of Yugoslavia. 45/

In Lebanon, work on the multi-purpose Litani project continued. During the period 1960-1963, a total of LL 113.57 million was spent on this project, LL 30.7 million on the Karaoun dam and LL 55.7 million on the Awali power plant.

The agricultural policy of Lebanon is based at present on the following major considerations: (a) acceleration of projects for the provision of drinking water to all parts of the country; (b) development of the road network which will eventually connect the rural areas to the commercial centres of the country; (c) extension of electricity to all rural areas; (d) extension of agricultural credit; (e) development of adequate marketing facilities, and (f) intensification of afforestation through the "Green Plan".

In Saudi Arabia, the development of Wadi Jizan is one of the most important agricultural projects under consideration. Designed to control floods and irrigate 50,000 acres of new land, this project has been in progress since 1960. The total cost of the dam in this project has been estimated at SA Rls 15 million. Some preliminary works, such as hydrological studies, have already been completed and it is expected that the whole project will be finished within two years. 46/

43/ United Nations, Economic Developments in the Middle East, 1959-1961 (Sales No.: 62.II.C.2), page 19. Jordan's Five-year Programme for Economic Development is now under revision.

44/ The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Syria, Lebanon, Jordan, February 1963, page 13, and August 1963, page 10.

45/ Ibid., August 1963, pages 9 and 10, and January 1964, page 7.

46/ Saudi Arabia, Ministry of Agriculture, Annual Report, 1382-1383 A.H. (Dhahran), pages 12 and 13.

Another important agricultural scheme is the construction of the Abha dam which aims at controlling floods, raising water levels in wells and irrigating land. The cost of this dam was estimated at SA Rls 6.5 million. 47/ Also, the Saudi Arabian Farm Advisory Service Division has prepared a project for developing new agricultural land in Wadi Sahba, which is designed to facilitate the settlement of about 1,000 families of nomads on 40,000 hectares. This scheme is estimated to cost approximately \$13 million. 48/

For the implementation of their afforestation programme, the Saudi Arabian Government has established a forestry division in the Ministry of Agriculture and has initiated studies on the problem of afforestation by an FAO expert. German experts are also undertaking an aerial survey and other studies for the irrigation and drainage of the Al-Hasa district. These studies are expected to be completed by June 1964 at a cost of over SA Rls 2.3 million. The total cost of the Al-Hasa scheme is estimated at SA Rls 45 million. In addition to the vast areas to be made cultivable by this project, moving sand dunes which had hitherto adversely affected agricultural production in the Al-Hasa district will be controlled through an irrigation and afforestation programme costing SA Rls 10 million.

A project by which it is intended to dig sixty artesian wells is being undertaken by a German company; its cost is estimated at SA Rls 7 million. Studies for the digging of another sixty wells are in process of being completed. 49/ Another major project in the field of agriculture has been the establishment of an Agricultural Bank to provide loans and credit facilities for stimulating and increasing agricultural output, as well as improving the marketing of agricultural products.

Recurrent droughts which caused wild fluctuations in Syria's agricultural production have brought about an intensification of efforts to stabilize production through irrigation. Out of a total planned public investment of LS 1,720 million in Syria's Five-year Plan (1960/61-1964/65), expenditure earmarked for irrigation and reclamation amounted to LS 780 million. 50/

The Euphrates project which has been under study since 1948 and which has undergone several changes during that time, aims, within the framework of the five-year plan, at irrigating 75,000 hectares of land at a total cost of LS 304 million. Up to 30 June 1963, a sum of over LS 12 million had already been spent on this project.

Early in 1963 an agreement was signed between the Syrian Government and the Federal Republic of Germany concerning the financing of the Euphrates project. Its total cost was re-estimated at \$260 million, of which the foreign exchange component was put at \$87.5 million. The Federal Republic agreed to extend loans to a maximum

47/ Ibid., page 11.

48/ Ibid., page 9.

49/ General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries, Arab Economic Report, February 1964, page 2.

50/ Syria, Ministry of Planning, The Syrian Five-year Plan for Economic and Social Development, 1960/61-1964/65 (Damascus).

of DM 350 million (the equivalent of the foreign exchange requirements), for twenty years at 3.75 per cent per annum. 51/

According to Syria's Five-year Plan, the Ghab project, when completed, will put 70,000 hectares of land under irrigation; by June 1963, a total of LS 76.6 million had been spent on it. The construction of the Rastan dam, within the framework of the Ghab project, was completed in February 1961 at a total cost of LS 28 million; it has a water storage capacity of 250 million cubic metres and is capable of irrigating 25,000 hectares of land. The Mahared barrage, another phase of the Ghab project, was inaugurated in 1962 at a total cost of LS 24 million. It has a water storage capacity of 61 million cubic metres and is designed to put under irrigation an additional 25,000 hectares. 52/

The Khabour project, which is also part of Syria's Five-year Plan, will irrigate another 60,000 hectares of land. The total investment estimated to be necessary for financing this project is LS 90 million. By June 1963, over LS 3 million had already been spent.

Syria's other important irrigation schemes, for which the plan provides, include the following four projects: (a) the Orontes, designed to irrigate 12,000 hectares of land at a total cost of LS 47 million. Up to the end of June 1963, the amount spent on the Orontes project represented about 1 per cent of its total cost; (b) the Barada, which will irrigate an additional 12,000 hectares of land and generate 10,000 kilowatts of electric power. Its estimated cost was put at LS 35 million, 53/ out of which a sum of only LS 298,000 had been spent by the middle of 1963; (c) the EL-Sinn, which is expected to irrigate another 10,000 hectares at a total investment of LS 16 million. The sum spent on this project up to the end of June 1963 represented about 20 per cent of its total cost; (d) the Roudj, intended to put an additional 5,000 hectares of land under irrigation at an estimated total cost of LS 12.5 million; the amount spent on it up to 30 June 1963 was LS 4.65 million.

In addition to investments in the field of irrigation and land reclamation, Syria's Five-year Plan allocates funds for the construction of silos and the development of laboratories, for agricultural research and training centres, animal breeding and horticultural and afforestation programmes. Out of the total allocations for these investments amounting to LS 95 million during the plan period, the sum of LS 25.5 million was spent by the end of June 1963. 54/

51/ General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries, Arab Economic Report, February 1964, pages 114 and 115.

52/ The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Syria, Lebanon, Jordan, October 1962, page 7.

53/ The total cost of the Barada project was recently re-estimated at LS 70 million.

54/ Syria, Ministry of Planning, The Syrian Five-year Plan for Economic and Social Development, 1960/61-1964/65, pages 6 and 7 and 36 to 44.

In January 1963, a loan of \$14.7 million was extended by the United States for the construction of eleven grain silos with a total capacity of 325,000 tons. 55/ Later in 1963, a further loan of LS 27.3 million was extended by the United States for the same purpose.

The new land reform law of 1962 stipulated that holdings of irrigated and non-irrigated land be fixed at 15 to 55 hectares for the former type and 80 to 200 hectares for the latter. Land distribution was also fixed at 8 hectares for irrigated land and 30 hectares for non-irrigated land. 56/ In both cases, the exact area allowed to be held or distributed will be determined by the degree of soil fertility. According to the new law, the peasant beneficiaries are required to pay only 25 per cent of the value of their newly acquired land in twenty annual instalments. 57/ Should they be exempted from payment for land acquired under this scheme, however, they would be required to contribute 1 per cent of the value of their newly acquired land to a special agricultural co-operative fund. Under the new land reform law, the time limit set for compensating owners of expropriated land has been fixed at forty years. 58/

Between 1959 and 1963, the total area of land expropriated was 944,533 hectares; of this, only 219,856 hectares were distributed. The beneficiaries of this scheme were 80,307 individuals representing 14,608 families. 59/

55/ The total cost of these silos is estimated at \$21.7 million.

56/ Land distribution was fixed under the 1958 law at 5 hectares for irrigated land and 15 hectares for non-irrigated land.

57/ According to the 1958 laws, beneficiaries from land distribution were required to pay 50 per cent of the value of the land acquired.

58/ Under the 1962 laws, the time-limit set for compensation was fixed at fifteen years.

59/ Syria, Ministry of Agrarian Reform.

CHAPTER 2

INDUSTRY^{1/}

An examination of table 2-1 shows that income generated in the industrial sectors of the countries under consideration increased in the period from 1960 to 1962, although the rate of growth varied among the countries.

In Iraq - where the share of industry in gross product in 1960 and 1961 was about 9 per cent ^{2/} - real income originating in the industrial sector in 1961 was 8.4 per cent higher than that in 1960. In Israel, income from the industrial sector constituted about 25 per cent of the net domestic product. This ratio was fairly stable between 1960 and 1962. At current prices the rate of growth was 21.5 per cent between 1960 and 1961 and 19.2 per cent between 1961 and 1962. ^{3/} In Jordan, too, the share of industry was fairly stable - at an average of 10.7 per cent of gross domestic product. At current prices, industrial income was increased by 32 per cent between 1960 and 1961, ^{4/} but as there was a comparable increase in agricultural income, the relative position of the industrial sector did not change appreciably. The share of the industrial sector of Lebanon was stable at about 12 per cent of the net national product and, at constant prices, the annual increment was modest. The observed decline in the relative share of real income originating in the industrial sector of Syria - from 16.1 per cent in 1960 to 13.0 per cent in 1962 - reflects the recovery in agricultural income resulting from favourable weather conditions in 1961 and 1962. The increments in industrial real income were 3.2 per cent between 1960 and 1961 and 9.9 per cent between 1961 and 1962.

Industrial production

Income originating in the industrial sector of Iraq (including mining and quarrying and electricity and water, but excluding oil extraction and oil refining) in 1960 and 1961 constituted about 9 per cent of gross domestic product at 1956 constant prices (see table 2-1). ^{5/} The share of manufacturing industry in industrial income was about 88 per cent.

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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/} If income generated by the oil sector (crude oil extraction and oil refining) is included, the share of industry in total income becomes 51.9 per cent in 1960 and 49.5 per cent in 1961. See Iraqi Federation of Industries, Al-Sina'i, June 1963, page 25.
- ^{3/} The index of the cost of living in Israel increased from 104 in 1960 (1958 = 100) to 121 in 1962.
- ^{4/} The wholesale price index in Jordan (Amman) declined from 111 in 1960 (1958 = 100) to 96 in 1961 and to 93 in 1962.
- ^{5/} If the oil sector is excluded from both industrial income and total income, the ratio rises to about 15 per cent.

Table 2-1. Income Originating in the Industrial Sector,
Selected Countries, 1960-1962

(Values in millions of national currency units)

Item	1960	1961	1962
<u>Iraq</u>			
1. Industry	51.10	55.38	...
Manufacturing (excluding oil refining)	(45.06)	(48.19)	...
Mining and quarrying (excluding crude oil extraction)	(1.92)	(2.40)	...
Electricity and water.	(4.12)	(4.79)	...
2. Gross domestic product at 1956 constant factor cost.	568.20	621.10	...
3. (1) as percentage of (2).	9.0	8.9	...
<u>Israel</u>			
1. Industry	909.5	1,105.2	1,317.1
Manufacturing.	(810.7)	(989.9)	(1,182.0)
Mining and quarrying	(24.3)	(27.5)	(34.7)
Electricity and water.	(74.5)	(87.8)	(100.4)
2. Net domestic product at current factor cost (before adjustment)	3,610.3	4,318.1	5,248.6
3. (1) as percentage of (2)	25.2	25.6	25.1
<u>Jordan</u>			
1. Industry	9.0	11.9	11.3
Manufacturing, mining and quarrying. .	(8.2)	(10.8)	(10.0)
Electricity supply	(0.8)	(1.1)	(1.3)
2. Gross domestic product at current factor cost	87.1	109.0	106.5
3. (1) as percentage of (2).	10.3	10.9	10.6
<u>Lebanon</u>			
1. Industry ^{a/}	190.0	194.0	195.0
2. Net national product at 1954 constant factor cost	1,562.0	1,610.0	1,650.0
3. (1) as percentage of (2).	12.2	12.0	11.8
<u>Syria</u>			
1. Industry ^{b/}	341.0	352.0	387.0
2. Net domestic product at 1956 constant factor cost.	2,123.0	2,357.0	2,987.0
3. (1) as percentage of (2).	16.1	14.9	13.0

Source: Compiled in the United Nations Economic and Social Office in Beirut.

a/ Manufacturing, mining and quarrying, and electricity and water.

b/ Manufacturing, mining and quarrying.

Iraq's production of selected industrial commodities in 1960 and 1961 is shown in table 2.2. ^{6/} The structure of production in 1961 differed appreciably from that of 1960. In the food and beverage industries, production of sugar in 1961 was 39 per cent higher than in 1960, while production of vegetable oils in 1961 represented only 38 per cent of the 1960 level. Other industries also showed considerable variations. In the textile industry, major changes occurred in the production of flannels, cotton knitting, blankets and stockings. Production of the first three commodities increased substantially, while that of stockings decreased by about 20 per cent.

The manufacturing industries classified under "Others" in table 2-2 recorded substantial increases between 1960 and 1961. The production of plastic shoes and air coolers increased sharply, reflecting the fact that these are relatively new industries. Production of electricity increased by about 9 per cent.

Income originating in the industrial sector of Israel (including mining and quarrying and electricity and water) in the period from 1960 to 1962 constituted an average of 25 per cent of net domestic product at current factor cost (see table 2-1). The share of manufacturing in industrial income in the same period was about 89 per cent and was stable.

An examination of table 2-3 shows that the general index of industrial production in Israel rose by 31 per cent between 1960 and 1962. Manufacturing industry was the main contributor to this increase. Available information for the first six months of 1963 shows that, with the exception of chemicals, most other industries continued their fast upward trends.

The aggregated indices in table 2-3 conceal the changes that took place in this period at the commodity level. Table 2-4 provides more detailed information about the production of the major industrial commodities. This shows that the production of refined sugar and superphosphates declined, while that of the remaining manufactured products rose in varying degrees. The greatest increases occurred in the production of preserved fruits and vegetables, salt, cotton yarn and woven tissue, petroleum products, paper and cardboard and radios. ^{7/} Similarly, production of electricity continued to rise at a fast rate, reaching an index of 136 in 1963 (1960 = 100).

Income originating in the industrial sector of Jordan (including mining and quarrying and electricity and water) in the period from 1960 to 1962 constituted an average of rather less than 11 per cent of gross domestic produce at current factor cost (see table 2-1).

An examination of table 2-5 shows that the production of natural phosphate increased moderately between 1960 and 1961 and sharply in 1962. ^{8/} The existing small-scale industries producing food and beverages showed substantial fluctuations.

^{6/} Comparable data for 1962 and 1963 are not available.

^{7/} The diamond industry in Israel has continued to expand. Gross revenue from it increased from £I 81 million in 1959/60 to £I 241 million in 1962.

^{8/} Exports of natural phosphate in the years 1960, 1961 and 1962 were 318,800, 382,800 and 358,300 tons, respectively.

Table 2-2. Iraq: Production of Main Industrial Commodities

Commodity	Index (1960 = 100)	
	1960	1961
<u>Manufacturing industries</u>		
<u>Food, beverages and tobacco</u>		
Vegetable oils (tons)	68,076	38
Arak (thousands of litres).	2,665	98
Methylated spirits (thousands of litres).	546	118
Rectified spirits (thousands of litres)	31	84
Wine (thousands of litres).	224	82
Beer (thousands of litres).	5,143	86
Soft drinks and beverages (thousands of bottles).	238,808	114
Cigarettes (millions)	4,918	90
Sugar (tons).	23,841	139
<u>Textiles</u>		
Silk piece goods (millions of metres)	4.1	95
Cotton piece goods (millions of metres)	34.3	119
Woollen piece goods (millions of metres).	0.9	89
Headgear (yashmaks) (millions).	1.3	100
Blankets (thousands).	247	127
Cotton knitting (tons).	278	141
Silk knitting (tons).	103.6	103
Wool knitting (tons).	163	88
Stockings and socks (millions of pairs)	1	80
Flannels (millions)	0.3	200
<u>Others</u>		
Soap (tons)	16,314	114
Matches (thousands of gross).	912	110
Leather shoes (thousands of pairs).	1,198	115
Rubber and linen shoes (thousands of pairs)	1,409	109
Plastic shoes (thousands of pairs).	56	689
Upper leather (thousands of square feet).	5,250	99
Sole leather (tons)	837	121
Inner leather (thousands of square feet).	505	151
Bricks, ordinary and hollow (thousands)	726	114
Cement, ordinary (thousands of tons).	776	114
Radiators	2,720	152
Air coolers	292	317
<u>Electricity</u> (millions of kwh).	859	109

Source: United Nations, World Energy Supplies, 1958-1961 (Sales No.: 63.XVII.4); Iraq: Statistical Abstract, 1961 and 1962, Baghdad; The Central Bank of Iraq, Annual Report, 1961.

Table 2-3. Israel: Indices of Industrial Production

Item	1961 (1960 = 100) ^{a/}	1962	1963, first half ^{b/} (1962, first half = 100)
General ^{c/}	116	131	113
Mining ^{d/}	110	118	114
Manufacturing ^{e/}	116	131	113
Food, beverages and tobacco . .	112	121	106
Textiles	125	147	110
Chemicals	117	131	101
Metal products	116	132	111

Source: Statistical Office of the United Nations.

a/ The indices in the source were calculated with 1958 as a base.

b/ Preliminary.

c/ Excluding electricity and manufactured gas.

d/ Extraction of non-metallic minerals only.

e/ Calculated by the Statistical Office of the United Nations from component national indices.

Table 2-4. Israel: Production of Main Industrial Commodities

Commodity	1960	Indices (1960 = 100)		
		1961	1962	1963
<u>Mining and quarrying</u>				
Crude oil (thousands of litres)	148,096	105	104	...
Salt (tons)	37,220	118	121	...
<u>Manufacturing</u>				
Flour (tons)	235,103	108	105	...
Biscuits (tons)	5,640	104	110	...
Preserved fruits (tons)	6,687	185	264	...
Preserved vegetables (tons)	7,559	129	138	...
Milk (thousands of litres)	94,544	101	106	...
Cheese and butter (tons)	25,177	109	119	...
Sugar, refined (tons)	29,787	99	91	...
Refined vegetable oils (tons)	31,081	116	111	...
Cigarettes (tons)	2,563	100	104	110
Tobacco (tons)	84	100	108	118
Cotton yarn (tons)	10,449	133	152	...
Woven tissues (tons)	9,361	107	124	...
Tyres (thousands)	407	95	106	113
Superphosphates (thousands of tons) . . .	82	104	98	91
Petroleum products (thousands of tons) .	1,305	115	151	...
Soap (tons)	8,117	105	124	...
Matches (hundreds of gross)	509,750	113	129	...
Cement (thousands of tons)	806	105	118	127
Silicate bricks and blocks (thousands) .	13,287	113	116	...
Accumulators	59,635	102	103	...
Radios	30,167	125	123	...
Paper and cardboard (thousands of tons)	31	123	129	142
<u>Electricity</u> (millions of kwh)	2,313	110	127	136

Source: Israel: Central Bureau of Statistics, Statistical Abstract of Israel, 1963 (Jerusalem, 1963).

The production of olive oil, brandy and arak in 1962 was roughly half their 1960 levels; production of alcohol and wine showed moderate decreases and beer, tobacco, and cigarettes, moderate increases. The production of cement, on the other hand, registered significant increases in both 1961 and 1962.

Income originating in the industrial sector of Lebanon (including mining and quarrying and electricity and water) in the period from 1960 to 1962 constituted an average of 12 per cent of net national product at 1954 factor cost (see table 2-1). 9/

Table 2-5. Jordan: Production of Main Industrial Commodities
(1960 = 100)

Commodity	1960	Indices (1960 = 100)	
		1961	1962
<u>Mining and quarrying</u>			
Natural phosphate (tons)	361,850	117	188
<u>Manufacturing</u>			
<u>Food, beverages and tobacco</u>			
Olive oil (tons)	1,490	828	59
Alcohol (thousands of litres)	348	122	95
Brandy (thousands of litres)	135	42	44
Arak (thousands of litres)	252	52	56
Wine (thousands of litres)	204	91	88
Beer (thousands of litres)	673	103	109
Tobacco (tons)	47	98	104
Cigarettes (tons)	946	101	108
Cigarette papers (thousands of booklets)	5,748	134	156
<u>Others</u>			
Cement (tons)	164,809	135	143
Soap (tons)	2,928	84	108
Matches (thousands of gross)	16	56	25

Source: Jordan: Ministry of National Planning, Department of Statistics, Statistical Yearbook, 1960, 1961 and 1962 (Amman).

9/ The available estimates of Lebanon's national income are unofficial and rough and should be used with great caution.

Data on Lebanon's annual industrial production are scarce and are not comparable from year to year. 10/ The only usable information shows that the production of cement increased from 854,000 tons in 1960 to 861,000 tons in 1962 and the production of steel (bars and sheets) in 1963 was 36,000 tons.

Income originating in the industrial sector of Syria (manufacturing and mining and quarrying only) in 1960 constituted 16 per cent of net domestic product at 1956 constant factor cost, but declined to 13 per cent in 1962 (see table 2-1). 11/

An examination of table 2-6 shows that, in mining and quarrying, production of salt fluctuated sharply, whereas production of natural asphalt registered substantial increases in the period from 1960 to 1963. The food and beverage industries generally showed modest increases in 1961 and 1962. 12/ The textile industry on the whole showed no significant expansion between 1960 and 1961, but registered substantial increases in production in 1962. Excepting cement and rubber shoes, the production of which recorded significant increases, and mechanical glass, which declined sharply in 1961, the remaining manufacturing industries did not record any significant changes in 1961, but their production increased substantially in 1962. Production of electricity, on the other hand, continued to rise at a fast rate during this period.

No production data are available on the non-oil industrial establishments of Saudi Arabia; table 2-7 is presented for its general interest.

10/ Information on industrial production is collected annually by the Ministry of National Economy through questionnaires. However, since the number of respondents varies from year to year and the respondents are not the same every year, it is not possible to compare the annual production data.

11/ The high ratio for 1960 was largely due to the poor harvest in that year and the consequent decline in the income originating in the agricultural sector.

12/ Production of margarine and macaroni declined in 1962.

Table 2-6. Syria: Production of Main Industrial Commodities
(1960 quantities in tons, except as indicated)

Commodity	1960	Indices (1960 = 100)		
		1961	1962	1963
<u>Mining and quarrying</u>				
Salt	9,774	75	183	153 ^{a/}
Natural asphalt.	21,462	128	152	171
<u>Manufacturing</u>				
<u>Food, beverages and tobacco</u>				
Sugar.	69,631	103	110	120 ^{a/}
Vegetable oil.	15,148	103	106	...
Margarine.	3,000	110	96	...
Canning	2,982	101	111	...
Chocolate.	800	103	105	...
Macaroni	2,139	100	87	...
Biscuits	821	100	106	...
Alcoholic beverages.	3,275	101	132	...
Tobacco, tobacac and cigarettes	3,500	113	114	114
<u>Textiles</u>				
Woollen yarn	320	100	109	...
Silk yarn.	3,000	100	127	...
Cotton yarn.	9,737	102	157	...
Silk and cotton fabrics.	25,000	103	108	...
Tricot fabric.	494	101	122	...
Woollen clothes.	157,000	110	242	...
Stockings (thousands of dozens).	1,065	103	106	...
Underwear.	1,091	110	103	...
<u>Others</u>				
Cement (thousands of tons)	449	120	135	152
Cigarette papers (packages).	131,324	100	55	...
Rubber shoes (thousands of pairs).	1,700	110	124	...
Soap	25,000	103	105	...
Matches (thousands of gross)	700	100	172	...
Oxygen (thousands of cubic metres)	255	102	132	...
Paint.	1,127	102	104	...
Glass.	15,275	66	96	...
<u>Electricity</u> (thousands of kwh).	368,209	119	136	...

Source: Syria: Ministry of Planning, Directorate of Statistics, Statistical Abstract, 1962 and General Bulletin of Current Statistics, fourth quarter, 1963 (Damascus).

a/ Unpublished report of the Ministry of Planning.

Table 2-7. Saudi Arabia: Main Industrial Establishments, Number of Workers and Capital Stock in Fiscal Year 1960/61

Industry	Number of establishments	Number of workers	Capital stock (thousands of Saudi Arabian riyals)
Beverages	12	796	26,641
Ice	17	245	7,094
Construction materials	200	1,601	67,935
Glass	8	36	137
Dairy products	2	11	450
<u>Services</u>			
Technical industries	49	368	7,147
Technical workshops	482	1,470	16,996
Carpentry workshops	85	492	7,629
Leather making	1	24	2,341
Sack making (paper and cardboard)	1	4	65
Paper making	1	18	210
Gas	7	390	15,600
Pottery	8	34	20
Confectionery and pastry	4	32	480

Source: Le Commerce du Levant, edition mensuelle (Beirut), 15 May 1964, page 19.

Industrial projects

In Iraq, the Five-year Detailed Economic Plan, 1961/62-1965/66, provided for a total allocation during the period of ID 166.8 million for major and complementary industrial projects, 13/ representing 30 per cent of total planned investment. Up to March 1963, a total of ID 4.5 million was reported to have been invested; total planned investment for industrial projects in this period was ID 39.1 million. 14/ While a new comprehensive plan is now being drawn up, an "interim investment programme" of about ID 66.0 million has been approved in order to speed up investment in four main sectors, including industry. 15/

A number of new industrial projects were completed in the period under consideration. The Karbala canning plant started production in November 1962. In 1963, the cement factory at Hammam al Alil and the Baghdad clothing factory started production. The Light Industries Company completed in 1963 the construction of a transistor radio plant with a capacity of 30,000 radios and 10,000 television sets a year, and also opened a new factory for heaters and cooking stoves with an annual capacity of 50,000 heaters and 100,000 cookers. 16/

Various other projects have also been planned recently. Toward the end of 1963, the Iraqi Government signed a contract with a German company for the erection of a silk factory at Hindiya-Barrage, the total cost of which has been estimated at ID 11.8 million. This factory, which is scheduled to start operation in 1966, is expected to have an annual productive capacity of 3,000 tons of artificial silk and 5,500 tons of silk thread. Another factory, designed to produce cotton textiles in Kut and costing ID 2.7 million, is also scheduled for production in 1966 with a capacity of 30.5 million square metres of cotton fabric per year. 17/ The first project is expected to employ 1,000 workers, and more than 2,000 are expected to be engaged in the second. Both will provide savings in foreign exchange, Iraq being at present a net importer of these commodities.

Steps are also being taken to speed up the construction of the rayon complex of Hillah-Hindiyah, the total capacity of which has been estimated at more than 45 million yards of spun and filament rayon fabrics. 18/ A state-owned dressmaking factory is scheduled for completion in 1964 at a total cost of ID 0.8 million; this will absorb about 1,000 workers. 19/

13/ The chemical industries received 22.7 per cent of the total allocation for the major projects (ID 161.10 million), while 23.6 per cent went to electricity generation and transmission projects and 14.7 per cent to the weaving and clothing industries. For details, see Iraq, The Five-year Detailed Economic Plan, 1961/62-1965/66 (Baghdad).

14/ Iraq, Central Bureau of Statistics, Statistical Abstract, 1962.

15/ United States Department of Commerce, Overseas Business Reports, OBR 63-154 (Washington, D.C.), December 1963, and The Economist Intelligence Unit, Ltd., Iraq (London), March 1964.

16/ The Economist Intelligence Unit, Ltd., Iraq, February and December 1963.

17/ For further details, see Baghdad Chamber of Commerce, Commerce, December 1963, pages 16 and 17.

18/ The Economist Intelligence Unit, Ltd., Iraq, December 1963.

19/ Iraqi Federation of Industries, Al Sina'i, December 1963, pages 61 and 62.

A set of new projects, planned in connexion with a special agreement signed with the Soviet Union, have been under study for some time by the Iraqi Government and their implementation is likely to be speeded up. 20/ These projects relate to the erection of new factories in the following branches: steel; electrical equipment; glassware; cotton and woollen textiles; knitwear; clothing, and agricultural machinery.

Work on the project of the Baghdad South power station - designed to provide an additional 94,500 kilowatts - is now likely to be accelerated, since it has been announced that the Export-Import Bank will finance it. 21/ There have also been some developments in the production of industrial gas, air coolers, refrigerators, cosmetics, pharmaceuticals, glass, furniture and aluminium hollow-ware.

It is not yet possible to identify a clear and comprehensive industrial policy in Iraq. Although some efforts have been made to speed up industrial development, the contribution of the industrial sector (excluding petroleum) to the economy has remained relatively low. There are, however, some distinctive policy features which are indicative of a new trend.

The Iraqi Government seems to favour the idea that heavy industries shall be state-owned, while private enterprise shall be free to participate in the remaining industrial undertakings. The Industrial Development Law, promulgated in 1961, provides for the exemption of industrial equipment and raw materials from customs duties, from property tax for ten years, and from income tax, provided that at least 90 per cent of the employees of the enterprise (excluding technicians) and 60 per cent of the invested capital are Iraqi. 22/ Also, in addition to the protection given to existing industries through quantitative and qualitative restrictions, there are indications that special emphasis is put on encouraging the establishment of industries having an import substitution effect and those which are labour intensive. Moreover, efforts have been made to increase industrial credit. Total credits granted by the Industrial Bank amounted to ID 569,000 in 1960, ID 968,000 in 1961 and ID 1,195,000 in 1962. 23/

A number of new industrial projects are under way in Israel. Construction has already started on a large weaving plant in Galilee and on another phosphate and limestone processing plant in Negev. Meanwhile, an acrylin fibre plant is

20/ A statement by Iraq's Minister of Planning. See The Economist Intelligence Unit, Ltd., Iraq, August 1963.

21/ The Economist Intelligence Unit, Ltd., Iraq, March 1964.

22/ The new Industrial Law, which is still in draft form, is designed to give Arab capital the same privileges as Iraqi capital. (Ibid.)

23/ For details on credits granted in 1962, see Iraq, Statistical Abstract, 1962, page 207. In accordance with Industrial Bank Law No. 62 of 1961, the Industrial Bank's capital was increased from 8 to 10 million dinars in order to develop Iraqi industry in the private sector. The new law authorized the Bank to issue industrial loan bonds guaranteed by the Government to increase its resources in the fields of lending and participation. It also granted its Board and Director broader authority in order to achieve greater flexibility in the Bank's operation. (Central Bank of Iraq, Annual Report, 1961.)

approaching completion and negotiations are in process for the establishment of a new factory to produce potassic nitrate and phosphatic acid. 24/ Plans are being drawn up for the erection of a log peeling and saw milling plant in Elath, with a capacity of 36,000 tons of timber per month. There are also plans to introduce a diamond cutting factory in the same region. Moreover, the Negev Phosphate Company has plans for the building of a chemical complex at Oron and for the erection of a factory to produce soda ash and triple superphosphates. 25/

To meet Israel's increasing demand for electricity, especially in the industrial sector, a second power station was put into operation in December 1963. Subsequently, a loan was secured from the Export-Import Bank for the financing of additional electrical equipment for the Haifa power station. A new white cement factory is also scheduled to be built in Haifa at an estimated cost of £11 million. 26/

The fast rate of growth of the Israeli economy and the near full employment situation have resulted in substantial increases in wages which, in turn, have brought about a rise in industrial production costs. This phenomenon is causing considerable concern in government circles, especially in the light of the declared policy of trade liberalization and the possible association of Israel with the European Economic Community.

In Jordan, two main projects of considerable importance for the agricultural and industrial development of the economy are under consideration. The first is the Yarmouk project, which envisages the construction of two power stations and the reclamation of some 50,000 hectares. The total cost of this scheme is estimated at JD 35 million and work is expected to start in 1965. 27/ The second project concerns the possibility of exploiting the mineral resources of the Dead Sea. In fact, the Arab Potash Company is at present studying proposals for the extraction and refining of magnesium from the Dead Sea waters. The total cost of this project has been estimated at \$10 million. 28/

According to the Jordan Development Board, the other industrial projects which may receive priority in the near future are ceramics, fertilizers, pharmaceuticals, cardboard and paper, cotton and woollen textiles, food canning and dairy products. Three million dinars have already been allocated for the establishment of the Al-Hasa phosphate works which are expected to start operation in 1964. 29/

The Jordanian Government is fully aware of the manifold difficulties which are likely to be encountered in the process of industrialization and is taking practical steps toward their solution. Measures have been taken for the establishment of an

24/ Report of the United States Embassy in Tel Aviv, "Economic Summary of Israel" (mimeographed), October-December 1963.

25/ The Economist Intelligence Unit, Ltd., Israel (London), November 1962.

26/ Ibid., January 1964.

27/ The Economist Intelligence Unit, Ltd., Syria-Lebanon-Jordan, August 1963.

28/ Ibid., January 1964.

29/ Ibid.

Industrial Advisory Service in 1964. Domestic as well as foreign investments in industry are encouraged through various types of incentives. The Government intends to give complete freedom to private initiative in this field and is determined to extend all facilities for industrial projects which are considered to be of great importance for the economy as a whole.

The industrial sector in Kuwait (excluding the petroleum industry) is small and relatively unimportant. Most of the existing small-scale industries, such as building materials, furniture, window frames, soft drinks, and the like, cater mainly to the needs of the construction and oil industries and provide limited consumer goods for the local market. The total sale value of industrial products in 1961 was KD 8 million, representing 1.6 per cent of GNP. 30/

Recently a factory was erected in Kuwait for the production of salt, caustic soda and chlorine. Several other projects are under consideration; they include fertilizers, ferro-alloys and petrochemicals.

In Lebanon, a number of new industrial projects are under consideration. Plans are in the making for the building of a glass factory to fill the gap between the present level of domestic glass production of 2,700 tons per year and the average annual domestic consumption of approximately 7,000 tons. 31/ Also envisaged is a synthetic rubber plant to provide raw material for a tyre industry to substitute domestic output for imports of tyres, estimated at about 2,500 tons in 1963. 32/ The Lebanese Government is considering a Japanese offer to build a tractor assembly plant, with an estimated capacity of forty to fifty tractors per month. 33/ Plans are also under consideration for the building of a fertilizer plant at an estimated cost of LL 120 million. 34/ In 1963, the expansion of the textile mill in Khaizaran was completed, and a new brewery started operation in Jbail, with an annual output of 35 million litres of beer.

Completion has been announced of the first stage of the Karaoun Dam, which forms an important part of the whole Litani hydroelectric scheme. A 30,000-kw power station is planned at Karaoun which, together with the 100,000-kw Bisri power

30/ GNP in 1961 was estimated at KD 489 million and the total sale value of industrial products for 1958-1961 was as follows (in millions of Kuwaiti dinars):

	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>
Manufactured products	4.2	5.3	6.2	5.0
Building materials	2.5	3.2	3.7	3.0
Total	6.7	8.5	9.9	8.0

Source: Kuwait: Ministry of Finance and Industry, Industrial Survey, 1963, Vol. II.

31/ Le Commerce du Levant, édition mensuelle, 15 November 1963.

32/ Ibid., 15 January 1964.

33/ The Economist Intelligence Unit., Ltd., Syria-Lebanon-Jordan, November 1963.

34/ Ibid., Annual Supplement, August 1963.

station on the Awali river, will supply additional electricity to Beirut, the Bekaa and South Lebanon. 35/

Thought is now being given in Lebanese government circles to the establishment of free industrial zones in Tripoli and Sidon. The main purpose of these zones will be to provide foreign manufacturers with facilities for import into and export from these zones without customs restrictions. 36/ The Industrial Development Law at present under consideration may provide for increasing credit facilities and other incentives for the establishment of new industries.

Recently, steps were taken in Saudi Arabia to speed up surveying for a realistic assessment of exploitable mineral resources. Also, special attention is being given to the possibility of locating industries in the western part of the country. The Supreme Planning Board is now examining, among other schemes, the possibility of building a steel plant in the Hejaz, with a capacity of 45,000 tons per year at the initial stage, rising to 65,000 tons if future market potentials warrant it. 37/

According to the Royal Decree issued in May 1962, national industries now receive protection and encouragement through exemption from customs duties on imported machinery and equipment and on raw and semi-manufactured materials used in the expansion of the existing industrial facilities or in the building of new ones. Also, industries receive state-owned land at nominal rent and protection through quantitative restrictions and import tariffs. The Decree also provides for the establishment of an Industrial Technical Office at the Ministry of Industry to provide a permanent advisory service for the screening of proposals for new industries. 38/ The Saudi Arabian Government has announced that foreign capital will be granted the same privileges as those given to local capital, together with exemptions from income and company taxes in the first five years after the commencement of production. 39/

Syria has already gone through the first three years of its Five-year Plan (1960/61-1964/65) for Economic and Social Development. According to this plan, a total sum of LS 240 million of public resources was allocated to industrial development, including electricity, mining and petroleum. The private sector was expected to invest LS 269 million. Out of a total planned investment (public and private) of LS 509 million, LS 205 million was allocated to manufacturing, LS 241 million to minerals and petroleum and LS 63 million to the development of electric power. 40/

35/ Ibid., May 1963.

36/ Ibid., January 1964.

37/ International Monetary Fund, International Financial News Survey (Washington, D.C.), 21 February 1964.

38/ Saudi Arabian Monetary Agency, Annual Report 1381-82 A.H., (Dhahran), 10 August 1963.

39/ Bureau des documentations libanaises et arabes, l'économie libanaise et arabe (Beirut), 15 March 1964.

40/ For more details, see United Nations, Economic Developments in the Middle East, 1959-1961 (Sales No.: 62.II.C.2), page 47.

During the first two years of the plan (1960/61-1961/62), the actual investment of the public sector in manufacturing and mining was LS 19.6 million, as against a total appropriation of LS 63.7 million. In the same period, actual public investment in electricity and petroleum amounted to LS 43.8 million and LS 69 million, respectively, as against appropriations of LS 45.6 million and LS 136.6 million. Available information on the private sector shows that total investment in industry during the first year of the plan was LS 46 million; this exceeded the planned target of LS 27 million by 70 per cent. 41/

Some of the important industrial projects at present under consideration in Syria are for the production of fertilizers, citric acid, electrical machinery and agricultural and mining equipment. The financing of these projects is partly covered by a \$15 million agreement recently concluded with Poland. A project for vehicle assembly is being considered, but its implementation is linked to the outlook for vehicle exports to neighbouring countries. 42/ There are also plans for the erection of a new sugar refinery in the Ghab region and of a pulp and paper mill. 43/ The exploitation of the iron ore deposits discovered near Aleppo and of the phosphate deposits near Palmyra are also being considered.

The Industrial Bank of Syria has been extending loans to the industrial sector; in 1962 these amounted to LS 35.4 million as against LS 35.0 million in 1961. Over 50 per cent (in value) of these loans was extended to the spinning and weaving industry, 20 per cent to the food-stuffs industry, and the rest to producers of chemicals, metalware and wood and building materials. In 1962, the United States granted a loan of \$14.7 million (mainly for the construction of 325,000-ton-capacity silos for cereals) and it was reported that France had offered credit facilities in the amount of 250 million French francs for industrial projects in the public sector. 44/

There are a few small factories in Yemen which produce soap, cotton textiles, rope and leather goods. Two new factories - one for spinning and weaving and the other for grinding mineral salts - are under construction in San'a. The fiscal and institutional reforms which are now under consideration may provide a framework for the future industrial development of the country.

There are some small-scale industries, other than oil extraction and refining, in Bahrain, Qatar and Trucial Oman. The Governments of these countries are at present in the process of adopting new measures covering the participation of both local and foreign capital in industrial production.

41/ For details, see Syria, Ministry of Planning, Annual Report on the Economic and Social Development Plan (Damascus), 1960/1961 and 1961/62.

42/ The Economist Intelligence Unit, Ltd., Syria-Lebanon-Jordan, February 1963 and January 1964.

43/ Ibid., August 1963.

44/ See Centre d'études et de documentations, Etude mensuelle sur l'économie et les finances de la Syrie et des pays arabes (Damascus), February 1963, pages 6 to 9.

CHAPTER 3

PETROLEUM

During the period under consideration the oil industry in the region continued to expand at a high rate. Production of crude oil increased from 209 million tons in 1960 to 265 million tons in 1963, representing a 27 per cent rise in three years. World production rose by 24 per cent in this period: from 1,052 million tons in 1960 to about 1,305 million tons in 1963. The share of the region in total world production of crude oil thus increased from 19.9 per cent in 1960 to 20.3 per cent in 1963.

Total crude oil exports increased from 182 million tons in 1960 to 210 million tons in 1962, rising by 16 per cent in two years. These exports represented 88 per cent of total production and accounted for 47.6, 45.7 and 45.8 per cent of total world oil exports in 1960, 1961 and 1962, respectively. Western Europe remained the major importing area of the region's crude oil and continued to receive about 60 per cent of the total exports in 1960 and 1961. The Far East increased its share of the region's exports from 14.1 per cent in 1960 to 15.8 per cent in 1961, while the proportion going to North America declined from 10.4 per cent to 9.5 per cent in the same period.

Output of the major refined oil products in the region increased by 14 per cent between 1960 and 1962, while that of the world rose by 12 per cent in this period. The region's output continued to represent only about 5 per cent of world output.

Direct payments made by the oil companies to the Governments of the oil producing countries increased from \$1,110 million in 1960 to \$1,225 million in 1962. Also some non-oil producing countries (Jordan, Lebanon and Syria) derived revenues in the form of oil transit dues which amounted to \$174.7 million for the period 1960-1963. The contribution of the oil industry to the economies of the countries of the region was not, however, limited to royalties, taxes and transit dues. The oil companies spent substantial amounts in this period on capital investment, on wages and salaries, on payments to local contractors for services rendered, and on other local purchases.

During this period, the development of the existing oilfields continued, while the search for new ones was intensified. In fact, recent exploration and drilling operations have led to a number of new oil discoveries which will certainly constitute a basis for a continued expansion of the oil industry. Moreover, both the Governments and the operating oil companies of the area invested substantial amounts in oil refining, and in oil transport, storage and export facilities. Many of the countries of the area have shown considerable interest in the establishment of petrochemical industries and some have already taken practical steps in this direction.

Crude oil reserves and production

As of December 1963, proven oil reserves of the countries under consideration (see table III-1) were estimated at roughly 170 billion barrels, constituting 51.4 per cent of total world reserves. This represented a 15 per cent increase over the January 1961 estimates. Reserves of the three major oil producing countries - Kuwait, Saudi Arabia and Iraq - were estimated in December 1963 at 149 billion barrels, accounting for 87.6 per cent of the regional total or 45 per cent of the world total. Kuwait's reserves alone accounted for 19.2 per cent of the world total, followed by Saudi Arabia with 18.1 per cent and Iraq with 7.7 per cent. Oil exploration and drilling are continuing and prospective strikes in various parts of the area will undoubtedly cause an upward revision in the above estimates.

The oil industry has continued to expand in recent years. Production of crude oil increased from 209 million tons in 1960 to about 265 million tons in 1963, a 27 per cent rise in the three-year period (see tables 3-1 and III-3). The yearly increase was in fact 5.7 per cent in 1961, and 9.4 per cent in both 1962 and 1963. Meanwhile, world production of crude oil has continued to rise, but at a slightly lower rate than that of the region. It actually rose from 1,052 million tons in 1960 to over 1,304 million tons in 1963 - an increase of 24 per cent in three years.

As is clearly seen in table 3-1, the rate of growth in crude oil production varied substantially from country to country and from year to year. Although the three major producing countries - Kuwait, Saudi Arabia and Iraq - maintained their relative positions, their share in the total declined from 91.5 per cent in 1960 to 88.6 per cent in 1963. This was mainly the result of the growing importance of production in the Neutral Zone and the fast development of the Umm Shaif field in Abu Dhabi.

Table 3-1. Crude Oil Production by Country, 1960-1963

Country	1960 (thousands of tons)	Indices, 1960=100		
		1961	1962	1963
Abu Dhabi	-	-	100 ^{a/}	285
Bahrain	2,257	100	100	100
Iraq b/	47,280	103	104	119
Israel	129	104	103	116
Kuwait	81,863	101	113	119
Neutral Zone	7,284	135	179	225
Qatar	8,212	102	107	111
Saudi Arabia	62,065	112	122	131
Middle East total	209,090	106	116	127
World total c/	1,052,022	106	115	124
Middle East total as percentage of world total	19.9	19.8	19.9	20.3

Source: See table III-3 for details.

a/ 1962 taken as a base year.

b/ Excluding Naft-Khaneh field, producing at an average monthly rate of 17,000 tons.

c/ Excluding small production in China (Taiwan), Cuba, Mongolia, New Zealand and Thailand.

Kuwait's crude oil production in 1963 was 19 per cent above its 1960 level: it rose from 81.9 million tons in 1960 to 97.2 million tons in 1963. The main increase took place in 1962 and, to a lesser extent, in 1963. This substantial rise in production enabled Kuwait to maintain the lead at 36.7 per cent of the total in 1963.

Production of crude oil in Saudi Arabia registered a 31 per cent rise in the period - from 62.1 million tons in 1960 to 81.1 million tons in 1963 - and accounted for 30.6 per cent of total production in 1963. The steady but fast rise in the annual rate of increase in production is attributed to both the increase in the production facilities of the old fields and the putting into production of new fields. The capacity of the Safaniya field was increased, in successive steps, from 225,000 barrels per day in 1961 to 425,000 barrels per day in 1963. The Abu Hadriya field went into production in December 1962, with an initial production capacity of 50,000 barrels per day, and the Fazran area of the Ghawar field was put into production in July of the same year. Production started in the Fadhili field at the end of 1963 at an initial rate of 30,000 barrels per day, with installed facilities for an output of 50,000 barrels per day.

The off-shore Manifa field started producing at the rate of 100,000 barrels per day early in 1964, with installed facilities capable of handling an output of 125,000 barrels per day. Moreover, the off-shore fields of Abu Safa and North Qatif are in the process of development and plans are in the making for the development of the 'Uthmaniyah, Hawiyah and Haradh areas of the southern portion of the Ghawar field which together are expected to provide for an additional output of 120,000 barrels per day in 1965.

Iraq's output of crude oil rose from 47.3 million tons in 1960 to 56.5 million tons in 1963, a rise of over 19 per cent in three years. Most of this increase occurred in 1963, after output had remained fairly constant in the preceding two years. Iraq's share of total crude oil production in the area was 21.3 per cent in 1963.

Crude oil production in the Neutral Zone registered a sharp rise of 125 per cent in three years. This increase was made possible through the putting into production of the off-shore Khafji field in March 1961 and the completion of the permanent production and export facilities in June 1962 which are capable of handling 200,000 barrels per day. Mention must also be made of the discovery of a new oil stratum at Khafji in the summer of 1963 and of a new oilfield near Khafji which was reported in February 1964.

In the Trucial Coast Sheikhdome of Abu Dhabi, production of crude oil started from the Umm Shaif off-shore field in June 1962 with initial facilities capable of handling 30,000 barrels per day (about 1.5 million tons a year). Production continued to rise in 1962 and reached 2.3 million tons in 1963. It is expected that production will rise appreciably in the coming two years, as a result of increased capacity of Umm Shaif to 4.5 million tons by June 1964 and the development of the Murban field to a capacity of 6 million tons a year which was completed by the end of 1963.

As to the production of crude oil in the other countries under consideration - and excepting Bahrain where an annual output of 2.25 million tons was maintained - the increases were moderate. In Israel, production rose from 129,000 tons in 1960

to 150,000 tons in 1963, with prospects for further increases resulting from the new discovery in Kohav in late 1962. In Qatar production increased by only 11 per cent in this period. However, with the development of the Idd-el-Shargi off-shore field continuing and with the reported discovery of a new oilfield, Qatar's crude oil production prospects have improved.

Crude oil exports

The changes in the crude oil exports of the countries under consideration are shown in table 3-2.

Table 3-2. Crude Oil Exports, 1960-1962

Country	1960 (thousands of tons)	Indices, 1960=100	
		1961	1962
Iraq	45,200	103	103
Kuwait ^{a/}	77,840	104	118 ^{b/}
Qatar	8,140	103	108
Saudi Arabia	50,750	112	124
Total	181,930	106	116

Source: See table III-8 for details.

a/ Including exports of the Neutral Zone.

b/ Exports from the Neutral Zone in 1962 were approximately 9,021,000 tons. For details, see United States Department of the Interior, Bureau of Mines, World Petroleum Statistics, 1962 (Washington, D.C.), July 1963.

Total crude oil exports increased from 181.9 million tons in 1960 to 193.0 million tons in 1961 and to 210.2 million tons in 1962, representing a 16 per cent rise in two years. ^{1/} These figures represent 47.6, 45.7 and 45.8 per cent of total world oil exports in 1960, 1961 and 1962, respectively.

As can be seen from table 3-3, western Europe occupied a leading position as importer of crude oil from the area and was followed by the Far East and North America. Intra-regional trade in crude oil accounted for about 8 per cent of total exports in 1960 and 1961.

^{1/} Data for crude oil exports in 1963 are not yet available except for Iraq, for which an estimate of 54.1 million tons is given.

Table 3-3. Distribution of Crude Oil Exports, by Major Importing Areas, 1960-1962 a/

(Percentage)

Importing area	1960	1961	1962 ^{b/}
Western Europe	61.9	59.6	72.3
Far East	14.1	15.8	12.6
North America	10.4	9.5	4.1
Middle East	8.0	7.9	4.4
Oceania	3.3	2.8	2.3
Other America	1.5	2.2	1.2
Caribbean America	0.7	1.9	...
Africa and other importing areas	-	0.2	3.0
Total	100.0	100.0	100.0

Source: Based on data in table III-8.

a/ Exports of Iraq, Kuwait (including Neutral Zone), Qatar and Saudi Arabia in 1960 and 1961 and those for Iraq and Kuwait only in 1962.

b/ The percentages in 1962 are not comparable with those in the previous years, as they are based on the exports of Iraq and Kuwait only (see table III-8 and foot-note a above).

Oil refining

With the construction of new refineries, expansion of existing facilities and possibly higher utilization of installed refining capacities, the total output of major refined products in the countries under consideration increased from 40.7 million tons in 1960 to 46.5 million tons in 1962, a 14 per cent rise in two years. Despite this increase, the refining capacity of these countries represented only 4.6 per cent of world capacity in January 1963 and accounted for only 5.2 per cent of total output in 1962. The refined output of the four major producing countries - Aden, Bahrain, Kuwait and Saudi Arabia - accounted for over 82 per cent of the total output (see table 3-4).

Table 3-4. Output of Major Refined Oil Products,
by Country, 1960-1962

Country	1960 (millions of tons)	Indices, 1960=100	
		1961	1962
Aden	4.07	126	135
Bahrain	10.14	105	113
Iraq	2.06	104	102
Israel	1.31	115	151
Jordan	-	100 ^{a/}	126 ^{a/}
Kuwait	9.58	94	86
Lebanon	0.68	100	118
Neutral Zone	1.54	115	255
Qatar	0.03	100	67
Saudi Arabia	10.63	109	109
Syria	0.67	108	112
Middle East total	40.71	107	114
World total	803.67	106	112

Source: See table III-5 for details.

a/ 1961 taken as a base year.

With the exception of Kuwait and Qatar, where output dropped substantially in 1962, these countries experienced varying degrees of expansion in production. The Neutral Zone took the lead with an increase of 155 per cent in two years and was followed by Israel (51 per cent), Aden (35 per cent), Jordan (26 per cent), Lebanon (18 per cent), Bahrain (13 per cent) and Syria (12 per cent).

An examination of appendix table III-6 shows that between 1958 and 1961^{2/} net exports of refined products of these countries increased by 53 per cent, bunkers by 18 per cent and domestic consumption by 44 per cent. Aden, Bahrain, Kuwait, the Neutral Zone, and Saudi Arabia were net exporters of refined oil products, while Israel, Jordan, Qatar, Syria and Yemen were net importers. In the case of Jordan and Syria, however, there was a sharp decline in net imports of refined products in 1961, reflecting increased domestic production.

Oil revenues and investments

The oil producing countries under investigation derive substantial revenues from oil in the form of direct payments by petroleum companies to Governments. As

^{2/} Data for 1962 and 1963 are not available.

may be seen in tables 3-5 and III-9, direct payments, which in 1960 were \$1,110 million, rose to about \$1,225 million in 1962. Available data for Iraq, Kuwait and Saudi Arabia show that payments in 1963 totalled \$1,323 million as compared with \$1,043 million in 1960, a rise of 27 per cent.

In addition to the revenues received by the oil producing countries, payments are also made to Jordan, Lebanon and Syria in the form of oil transit fees, details of which are presented in table III-10. The total revenue accruing to the three countries - including settlement for past claims - in the 1960-1963 period was \$174.7 million. The supplemental agreements concluded separately between the three Governments and Tapline in 1962 provide for increases in revenues from oil transit.

Table 3-5. Direct Payments of Petroleum Companies to Governments, by Country, 1960-1963

Country	1960 (millions of dollars)	1961	Indices, 1960=100	
			1962	1963
Bahrain	13	131	131	...
Iraq	267	99	100	115
Kuwait	442	105	108	121
Qatar	54	100	104	...
Saudi Arabia	334	113	123	144
Total	1,110	106	110	...

Source: Based on data in table III-9.

Note: (a) The figures for Iraq were given in Iraqi dinars and were converted at the rate of ID 1=\$2.80. (b) The figures for Kuwait were given as "Kuwait Government oil revenues" and presumably include revenue from the Neutral Zone. They were converted from Kuwaiti dinars at the rate of KD 1=\$2.80. (c) The 1960-1962 figures for Saudi Arabia are inclusive of revenue from the Neutral Zone, and the revenue index for 1963 is based on payments made by Aramco for the first ten months only. This follows the agreement concluded between the two parties in March 1963 which covered, among other things, prices and costs to be used in the calculation of profits. (See Financial Times (London), 7 January 1964).

The contribution of the oil industry to the economies of the countries under investigation is not limited to the direct payments made by the oil companies to their Governments in the form of royalties, taxes and transit dues. Expenditures by oil companies in the form of wages and salaries, payments to local contractors, and local purchases of supplies and equipment add up to considerable sums.

Total expenditures in Kuwait by the Kuwait Oil Company (KOC) in the period 1958-1962 on the three main categories mentioned above were in the vicinity of \$225 million. Total payments for local contracts and rentals alone amounted to about \$31 million in 1960-1962, while the value of orders placed in Kuwait amounted to about \$38 million in 1959-1962. 3/ The American Independent Oil Company (Aminoil), which operates in the Kuwait Neutral Zone, contributed about \$31 million in the period 1959-1962 in the form of salaries, local purchases and construction and service contracts. 4/

The Arabian American Oil Company (Aramco) channelled into the Saudi Arabian economy approximately \$148 million in 1960 and 1961. The local purchases by Aramco and the payments to Saudi Arabian companies for services rendered to Aramco amounted to about \$62 million in the 1960-1962 period. 5/

Payments of wages and salaries in 1962 by the operating companies in Iraq amounted to about \$19 million. About \$35 million were transferred to Iraq by these companies for local operational expenditures. 6/

The Governments and oil companies continued to invest substantial amounts in exploration, drilling, connecting oil wells to gathering centres and constructing pipelines, storage tanks, refineries and loading facilities.

Aramco's capital expenditures for new construction amounted to \$26.2 million and \$26.8 million in 1960 and 1961, respectively. 7/ The 1963 capital budget, as approved by Aramco's Board of Directors, amounted to \$33.8 million, which includes allocations for new production facilities, improvements of some of the processing units of Ras Tanura refinery, and additional storage and shipping facilities at the Ras Tanura terminal. In addition, the Board of Directors approved a budget of \$15.9 million for exploration and development, \$6.1 million for home ownership and community development, and \$1.25 million for the repair and restoration of the refrigerated liquefied petroleum gas plant at Ras Tanura. 8/

A plant for the production and export of refrigerated liquefied petroleum gas at Ras Tanura was completed in December 1961 at a cost of about \$7.7 million, and the completed liquefied gas plant in Abqaiq cost \$6.8 million. 9/ The development of the off-shore Manifa field was carried out under a \$12.8 million budget. 10/

3/ For further details, see Annual Review of Operations of the Kuwait Oil Company, Limited, 1960, 1961 and 1962.

4/ A Review of Operations by the American Independent Oil Company, 1962.

5/ A Review of Operations by the Arabian American Oil Company, 1960, 1961 and 1962.

6/ Iraq Oil in 1962, Iraq Petroleum Company, report for 1962.

7/ A Review of Operations by the Arabian American Oil Company, 1960 and 1961.

8/ Middle East Economic Survey (Beirut), 26 October 1962. See also The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Middle East Oil and the Arabian Peninsula (London), December 1962.

9/ A Review of Operations by the Arabian American Oil Company, 1961.

10/ Middle East Economic Survey, 27 July 1962. See also The Economist Intelligence Unit, Ltd., Quarterly Economic Review, Middle East Oil and the Arabian Peninsula, January 1964.

The expanded facilities at the Safaniya field raised output from 225,000 barrels per day in June 1961 to 425,000 barrels per day in 1963. Among the other major capital expenditures planned by Aramco are the development of the 'Uthmaniyah, Hawiyah and Haradh areas of the Ghawar field, as mentioned, in order to provide for additional production of 120,000 barrels per day by 1965, at a cost of \$11.5 million; the expansion of the loading capacity at the Ras Tanura terminal by 60,000 barrels per day, and the construction in the Ras Tanura terminal area of four additional 268,000-barrel storage tanks, entailing a further investment of \$5.5 million. 11/ Early in February 1964, Aramco also announced that it will build a \$10 million two-berth loading platform at the Ras Tanura terminal designed to increase its export capacity by 500,000 barrels per day by October 1965. 12/

The Government of Saudi Arabia made two allocations of \$555,000 and \$240,000 in 1963 to cover the cost of seismic surveys carried out along the Red Sea coast. 13/ Towards the end of 1963, the Saudi Arabian Government was reported to have approved an agreement for the establishment of a joint Saudi Arabian-French drilling company to drill for oil and fresh water; it is to have a nominal capital of SA Rl 10 million and an initial paid-up capital of SA Rl 2 million. The Saudi Arabian Government also signed a preliminary draft agreement with a Japanese group for the establishment of a large-scale gas-based petrochemical complex, the capital for which will be at least \$190 million to be shared equally. 14/ Allocations of \$9.4 million were also made to cover the General Petroleum and Mineral Organization's 75 per cent interest in the Jiddah refinery and the purchase of Aramco's bulk plant in Jiddah. 15/

In Kuwait, plans by the Kuwait Oil Company to spend well over \$22 million on development of oil resources were reported early in 1961. Over \$8 million were to be spent on the development of existing oilfields and the search for new ones, \$2.8 million on enlarging the oil gathering systems at Burgan and Minagish, and a further \$2.8 million on various oil transporting facilities. Another \$5.6 million were to be spent on a programme to build 210 houses for company employees, provide other amenities, and improve existing buildings. 16/

In 1961, a \$4.2 million gas injection plant was commissioned by the Kuwait Oil Company, and the construction of the \$9.4 million liquefied petroleum gas project was completed. 17/ Other important developments have been the addition, towards the end of 1963, of a fourth berth to the north pier of Mina al Ahmadi, which brought total oil handling capacity to 3 million barrels a day; the two 210,000-barrel storage tanks which were being constructed in 1962 in line with the expansion of the

11/ Petroleum Press Bureau, Petroleum Press Service (London), April 1963.

12/ Petroleum Press Bureau, Petroleum Press Service, March 1964.

13/ The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Middle East Oil and the Arabian Peninsula, September 1963.

14/ Middle East Economic Survey, 27 December 1963.

15/ Middle East Economic Survey, 14 February 1964.

16/ Middle East Economic Survey, 27 January 1961.

17/ Annual Review of Operations of the Kuwait Oil Company, Limited, 1961.

refining capacity at Mina al Ahmadi from 190,000 to 250,000 barrels per day, and the commissioning in July 1962 of the No. 16 gathering centre at Minagish with a capacity of 100,000 barrels per day.

Under a \$70 million expansion project in southern Iraq, the Basrah Petroleum Company completed in April 1962 a \$62 million deep-water terminal at Khor al Amaya 18/ which raised the export capacity in southern Iraq from 12 to 22 million long tons a year. Another significant development was the completion, in August 1961, of the final link in the new 30/32-inch pipeline from Kirkuk to Tripoli. 19/ Also, three of the four lines reaching to the Tripoli terminal were extended and enlarged to deal with bigger tankers, and the capacity of the terminal tank farm was expanded. In addition, the export capacity of the Banias terminal was increased by the building of a 24-inch 60-mile-long branch line connected to the new 30/32-inch pipeline. All these projects were completed at a total cost of some \$95 million. 20/

The Iraqi Government also executed some projects of its own. On 25 July 1963, pumping of oil started in the 80-mile 12-inch crude oil pipeline which runs from the government-owned Naft Khaneh field to the Daura refinery. This pipeline was completed by the Government at a cost of \$3.5 million. 21/ Its initial capacity is 1.5 million tons a year. The Rumailan-Basrah gas pipeline was completed in February 1962, under a \$2.8 million contract, to draw gas from the Rumailan oilfield to the industrial installations at Basrah. 22/ Still in the planning stage are a \$7 million refined product storage depot which will become the principal supply centre for central Iraq, a \$14 million lube oil plant which will be added to existing facilities at Daura, and a \$0.42 million grease plant with an annual capacity of 4,000 tons. 23/ The Planning Board allocated \$0.65 million as well for the first stage of the development of the Naft Khaneh field. 24/ Also, tenders were invited for the construction of a sulphur recovery plant near Kirkuk. The total cost of this plant is estimated at about \$20 million, and it will manufacture 100,000 tons of sulphur annually. 25/

Heavy investments were made by the Arabian Oil Company in its Neutral Zone off-shore concession area. By December 1962, development of the Khafji field had cost \$117.6 million, of which \$74 million was invested in permanent facilities at Ras al-Khafji with a capacity of 200,000 barrels per day. These facilities, which

18/ Iraq Oil in 1962, Iraq Petroleum Company, report for 1962.

19/ This provided a throughput potential of 35 million long tons a year. The reconstruction of pump installations in 1962 raised this potential capacity further to 48 million long tons a year.

20/ Iraq Oil in 1961, Iraq Petroleum Company, report for 1961.

21/ Middle East Economic Survey, 2 August 1963.

22/ Middle East Economic Survey, 20 January 1961, 9 March 1962 and 13 July 1963.

23/ Middle East Economic Survey, 10 April 1964.

24/ The Economist Intelligence Unit, Ltd., Quarterly Economic Review, Middle East Oil and the Arabian Peninsula, January 1964.

25/ Middle East Economic Survey, 23 August 1963.

were completed in 1962, included four off-shore flow stations which were linked to a single off-shore gathering centre and were, in turn, linked by a 27-mile 26-inch submarine pipeline to an on-shore terminal along with a tanker loading pier capable of handling two 100,000-ton tankers at once. 26/ Plans for 1963 included the drilling of nine wildcat wells at a cost of \$11 million 27/ and the raising of crude output to 300,000 barrels per day in the next two years at a cost of \$39 million. 28/

Aminoil spent \$613,441 in 1961 on supplementary facilities to increase the capacity of its refinery and, in February 1962, commissioned a new refinery with a capacity of 110,000 barrels per day, costing about \$5.2 million. Moreover, Aminoil reported the commissioning of an 8-mile 8-inch fuel gas line from Ahmadi to Mina Abdullah, in the fall of 1961, at an approximate cost of \$288,000 and the starting in February of the same year of a new 32-mile 24-inch buried pipeline, which was commissioned in December 1962 at an approximate cost of \$2.2 million. Storage capacity was also increased by the completion of three new 300,000-barrel storage tanks and one 600,000-barrel storage tank at Mina Abdullah. 29/

Substantial amounts were invested in the Trucial Coast Sheikdom of Abu Dhabi for the development of the off-shore Umm Shaif and the on-shore Murban oilfields. The development of the Umm Shaif field, which started operation in June 1962, had cost a sum of \$70 million by September 1962. 30/ Under a \$42 million development programme, facilities which will make possible the production and export of 6 million tons from Murban were brought to completion towards the end of 1963. These facilities included a loading terminal and a tank farm at Jabal Dhanna and a 70-mile 24-inch pipeline linking the terminal to the oilfield. 31/

The construction of the product-distribution pipeline linking the Homs refinery with Aleppo, Damascus and Latakia was begun in 1961 and put into operation in April 1964. It is estimated that this network of pipelines cost LS 25 million. 32/

In Lebanon, the extension and modernization of the Tripoli refinery, which is planned for completion by the Iraq Petroleum Company in 1964, was estimated to cost over \$6 million. 33/

26/ Middle East Economic Survey, 20 July and 14 December 1962.

27/ Middle East Economic Survey, 14 December 1962.

28/ The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Middle East Oil and the Arabian Peninsula, September 1963.

29/ A Review of Operations by the American Independent Oil Company, 1961 and 1962. See also Middle East Economic Survey, 25 August 1961.

30/ World Oil (Houston, Texas), 15 August 1963.

31/ Middle East Economic Survey, 20 December 1963 and The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review (Annual Supplement), Middle East Oil and the Arabian Peninsula, September 1963.

32/ Middle East Economic Survey, 10 April 1964.

33/ Iraq Oil in 1962, Iraq Petroleum Company, report for 1962.

In Israel, plans were reported to drill thirty-one new wells at an estimated cost of \$5 million, and to spend \$4 million over four years on off-shore exploration and drilling operations. 34/ Israel also completed in 1962 additional pumping stations which increased the capacity of the 250-mile 16-inch pipeline from Eilat to Haifa to about 3 million tons a year. In addition, a \$2.8 million catalytic platformer is now under construction at the Haifa refinery and is expected to be completed by the end of 1964. 35/ It has been reported that Israel has spent over \$44.3 million during the past five years on the modernization and expansion of the Haifa refinery and its subsidiaries. 36/

In Qatar, the Shell Company reported that \$42 million had been spent up to the end of 1962 and that it would cost another \$4.2 million to put the discovered wells under prolonged testing. 37/ In Aden, the capacity of the existing refinery was expanded at a cost of \$1.54 million. 38/ In Yemen, John W. Mecom was reported to have spent \$3 million on exploration by mid-1962. 39/

Recent exploration and refining developments

The development of the existing oilfields in the area continued, while the search for new ones was intensified with varying degrees of success. New fields came into production in Saudi Arabia, Kuwait, the Neutral Zone and Abu Dhabi; others were discovered in Kuwait, Saudi Arabia, the Neutral Zone, Abu Dhabi, Qatar and Oman.

The Kuwait Oil Company continued its exploration and drilling operations in the on-shore and off-shore areas. These activities were conducted in the Dibdibba-Mityaha and Mutriba areas, and in the Burgan, Raudhatain, Sabriya, Minagish and Bahra fields and were extended to the islands of Failaka and Bubiyan. Exploratory and drilling activities were also extended into Kuwait Bay in September 1962, where oil shows were reported to have been encountered by Well Medina No. 1 at 5,400 feet. The resumption of drilling operations in the Umm Gudair area resulted in the discovery of a new oilfield in May 1962. 40/ In 1963, twenty-three exploratory or appraisal wells were completed by the Kuwait Oil Company. 41/ Drilling in the off-shore waters was also started by Kuwait Shell

34/ The Economist Intelligence Unit, Ltd., Quarterly Economic Review, Middle East Oil and the Arabian Peninsula, January 1964.

35/ Financial Times, 30 January 1964.

36/ The Economist Intelligence Unit, Ltd., Quarterly Economic Review, Israel, January 1964.

37/ Middle East Economic Survey, 16 November 1962.

38/ World Oil, 15 August 1962. See also Middle East Economic Survey, 13 July 1962.

39/ Middle East Economic Survey, 22 June 1962.

40/ Annual Review of the Operations of the Kuwait Oil Company, Limited for the years 1961 and 1962.

41/ Financial Times, 22 April 1964.

Petroleum Development Company which was later reported to have suspended its activities pending clarification of the off-shore boundaries in the Persian Gulf. However, in none of the three wells drilled so far by Shell has oil in commercial quantities been discovered. 42/ Exploration and drilling operations were conducted in separate on-shore and off-shore areas of Saudi Arabia. Drilling went on in the Abqaiq, Abu Hadriya and Safaniya fields, and in the 'Ain Dar and 'Uthmaniyah area of the Ghawar field; also in the Manifa, Khursaniyah, Fadhili and Qatif fields, with delineation drilling in the Qatif field confirming previous seismic surveys which indicate that the field was more than double its previously known length. Exploratory operations were also carried out in Rub' al-Khali 43/ and drilling operations were extended in May 1963 by the Arabian American Oil Company to the north-western part of its concession and to Saudi Arabia's Eastern Province in February 1964. In addition, the first off-shore well to be drilled in the Qatif field was spudded in November 1963. 44/

Exploration and drilling operations in 1963 resulted in the discovery of a new off-shore oilfield at Abu Safa. 45/ While being tested in May, the new well produced at a rate of 5,000 barrels per day. The development of the field continued with Well No. 2, which also proved to be a producer. Furthermore, drilling in the on-shore part of the Qatif field resulted in the completion of Well No. 18, in November 1963, as the first Qatif producing well to be completed in the Fadhili Zone. This well yielded crude oil of 42° API - the highest gravity rating so far discovered in Saudi Arabia. 46/

Other exploratory operations were also conducted by the Government of Saudi Arabia in 1963 along the Red Sea Coast and in central Arabia (Najd); the existence of possible oil bearing structures was reported. 47/

In Iraq, the operating oil companies continued their search for new sources of oil until 1961, when all exploration activities were suspended. While the oil companies continued to develop existing fields, the footage drilled declined substantially in 1962. 48/

Exploration and drilling operations were intensified in the Neutral Zone. The Arabian Oil Company completed the drilling of fifteen wells in 1961 in its off-shore Khafji field, consisting of four outpost wells and eleven producers which proved to supply more than 6,000 barrels per day per well and twice this amount in

42/ Petroleum Press Service, November 1963.

43/ A Review of Operations by the Arabian American Oil Company, 1961 and 1962.

44/ Middle East Economic Survey, 31 May 1963, 6 December 1963 and 28 February 1964.

45/ Under an agreement signed by Saudi Arabia and Bahrain prior to drilling, the two countries agreed to share revenues when commercial oil is discovered.

46/ Middle East Economic Survey, 11 October 1963 and 6 December 1963.

47/ Middle East Economic Survey, 27 December 1963 and 14 February 1964.

48/ Iraq Oil, 1961 and 1962, Iraq Petroleum Company, reports for 1961 and 1962.

the case of the dual producer. 49/ By December 1962, it was reported that thirty-nine wells had been completed without a dry hole, averaging 5,000-6,000 barrels per day, some of them being dual producers with an output reaching 13,500 barrels per day. 50/ By October 1963, forty-four wells had been completed in the Khafji field, consisting of twenty-six wells producing from a single horizon, eleven dual producers and six observation wells. Well No. 44 hit a new oil stratum in the summer of 1963 in the Khafji field; 51/ oil discovered in this well was of 34° API crude with a 1.7 per cent sulphur content; it was later completed as a 6,290-barrel-per-day producer. 52/

Exploration and drilling operations by the Arabian Oil Company culminated in the discovery of two new oilfields in its off-shore concession. Well Hout No. 1 (35.6° API crude with a 1.6 per cent sulphur content) was confirmed in August 1963 and, in the course of flow tests in November, it produced at a rate of 2,160 barrels per day. 53/ In February 1964, the Company also announced the discovery of another oilfield located near its Hout field. When the potentials of these two new fields are confirmed, the oil reserves in AOC's concession area are expected to rise to about 2,500-3,000 million tons. 54/

Getty Oil and Aminoil continued their exploration and drilling activities in the on-shore areas of the Neutral Zone and extended them to the off-shore territorial waters which were covered by a seismic survey. In 1961, five exploratory wells were drilled, in addition to seventy-two development wells and twenty-four step-out wells. In 1962, seven exploratory wells were drilled, in addition to ninety development wells heavily concentrated in the north and south-east Wafra areas. 55/

In the Trucial Coast Sheikhdome of Abu Dhabi, Abu Dhabi Marine Areas continued the development of its off-shore Umm Shaif field which started to produce in June 1962 with an initial capacity of 1.5 million long tons per year; this capacity was raised to 3 million long tons per year by mid-1963 and will be raised to 4.5 million by mid-1964. 56/ In addition, the Company extended its exploration and drilling operations in mid-1963 and drilled a new well - Zakum No. 1 - south-east of its Umm Shaif field which reportedly struck oil in 1964 while Zakum No. 2 was being drilled. 57/ Simultaneously, Abu Dhabi Petroleum Company continued to

49/ 1961 Annual Report of Operations of the Arabian Oil Company Limited.

50/ The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review (Annual Supplement), Middle East Oil and the Arabian Peninsula, September 1963.

51/ Petroleum Press Service, October 1963.

52/ The Economist Intelligence Unit, Ltd., Quarterly Economic Review, Middle East Oil and the Arabian Peninsula, January 1964.

53/ Petroleum Press Service, September 1963, and Middle East Economic Survey, 6 December 1963.

54/ Middle East Economic Survey, 21 February 1964.

55/ Aminoil and Getty Oil reports.

56/ The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review (Annual Supplement), Middle East Oil and the Arabian Peninsula, September 1963.

57/ Petroleum Press Service, January and March 1964.

develop its on-shore Murban field and to construct facilities to bring this field into production in early 1964, with an annual capacity of 6 million long tons; exports were reported to have started by mid-December 1963. 58/ Early in 1964, the Company was reported to be developing a new oilfield at Bu Hasa, south-east of its Murban field, where the flow rates of the two wells so far drilled were around 15,000 barrels per day per well, with plans for an output of 120,000 barrels per day by 1965. 59/ No oil has yet been discovered in the other sheikhdoms of the Trucial Coast: an exploratory well was drilled off-shore Sharjah but was abandoned toward the end of 1963. 60/ Exploration activities were also conducted in Dubai, Ajman and Umm al-Qaiwain.

In Syria, the development of the Karachuk and Suwaida oilfields was continued and additional new fields were discovered. By the spring of 1963, Karachuk was reported to have ten producing wells. 61/ Three other producing wells were completed in Suwaida, bringing the number of oil producing wells in Suwaida to five. In addition, drilling and exploration activities were extended to new areas which revealed the existence of four new fields: Rumailan, Hamzah, Khirbah and 'Ulayyan. So far, four wells have been drilled in the Rumailan field, of which three were tested at rates between 1,800 and 2,150 barrels per day. Oil was reported to have flowed from the Hamzah field at the rate of 1,850 barrels per day in December 1962. It was also reported that drilling at 'Ulayyan resulted in the discovery of one producing well. 62/

Exploration and drilling operations in Israel resulted in the discovery of a new gas field known as Har Hakanaim - located north-east of the Zohar gas field in the Negev - and an important oil discovery was made at Kohav in October 1962. 63/ Within a period of about one year from this discovery, the field was reported to be producing at an average rate of 600-700 barrels per day. This excludes Well No. 10 whose yield is expected to exceed 1,000 barrels per day - a much higher rate than that of any other well in Israel. 64/ Oil was also discovered in Wells Nos. 11, 13 and 14. Exploration operations were, moreover, extended to the Haifa and off-shore areas, and plans to drill thirty-one wells in the Heletz, Kohav and other fields were reported; under-water drilling is expected to start in 1965. 65/

58/ Petroleum Press Service, January 1964.

59/ Middle East Economic Survey, 24 January 1964.

60/ Petroleum Press Service, January 1964.

61/ The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review (Annual Supplement), Middle East Oil and the Arabian Peninsula, September 1963.

62/ Middle East Economic Survey, 21 December 1962, 1 February 1963 and 25 March 1964.

63/ The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Middle East Oil and the Arabian Peninsula, December 1962.

64/ Petroleum Press Service, October 1963.

65/ The Economist Intelligence Unit, Ltd., Quarterly Economic Review, Middle East Oil and the Arabian Peninsula, January 1964.

Shell continued the development of its off-shore discovery at Idd-el-Shargi in Qatar where, by the end of 1962, it had completed the drilling of seven wells, of which five were productive. In addition, four dry holes were drilled in other parts of the concession during 1962. 66/ In 1963, the development of this field continued with Wells Nos. 8 and 9 completed as producers. 67/ These developments - along with a new discovery reported to have been made by Shell on another structure at Maydan Mahzam which still needs evaluation to determine its commercial potentialities - have brightened Qatar's oil prospects. In the meantime, the development of Qatar's Dukhan field continued. 68/

Efforts to discover new oilfields in Bahrain and to explore possibilities in Jordan, Lebanon, Yemen and Dhofar have so far been unsuccessful. In Oman, where exploration and drilling operations were resumed in 1962 and continued during 1963, oil was discovered. Well Yibal No. 2 was reported to have been completed as an oil producer in the summer of 1963. 69/

The expansion of the refining capacity of the countries under consideration continued through the introduction of new refining units and the modification, improvement and modernization of existing refining facilities.

In September 1962, work began on the first stage of modifications to expand the processing capacity of the refinery at Mina al Ahmadi in Kuwait - from 190,000 to 250,000 barrels of crude oil per stream-day - which was scheduled for completion by May 1963. 70/ In addition, the Kuwaiti Government has plans to build a refinery with a capacity of 80,000 barrels per day. 71/

The Saudi Arabian Government has finally decided to build a refinery at Jiddah with a capacity of 10,000 barrels per day. The sum of SA Rl 42,468,750 (\$9.4 million) has been allocated to cover the General Petroleum and Mineral Organization's 75 per cent interest in the Jiddah refinery and the purchase of Aramco's bulk plant in Jiddah. 72/

66/ Toward the end of 1962, Shell announced its intention to make a prolonged production test of its off-shore Idd-el-Shargi discovery (see Middle East Economic Survey, 16 November 1962).

67/ Oil and Gas Journal, 30 December 1963.

68/ Middle East Economic Survey, 13 December 1963.

69/ Middle East Economic Survey, 9 August 1963 and The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Middle East Oil and the Arabian Peninsula, September 1963.

70/ Annual Review of the Operations of the Kuwait Oil Company Limited, 1962.

71/ The Chairman of the Kuwait National Petroleum Company (KNPC) disclosed that the final decision to build the proposed 80,000-barrel-per-day refinery was likely to be favourable, since the project, in principle, had already been approved and that a provisional arrangement had already been made with Aminoil to supply 30,000 barrels per day of heavy crude from the Neutral Zone for this refinery. (See Middle East Economic Survey, 13 December 1963).

72/ Middle East Economic Survey, 14 February 1964.

An important refining development took place when Aminoil put into service on 8 February 1962 its new 110,000-barrel-per-day refinery unit in the Neutral Zone. The old refinery was shut down when this unit commenced operations. 73/ Also, the Arabian Oil Company is planning to build a 30,000-barrel-per-day refinery in the Neutral Zone which will produce mainly bunker fuel oil. 74/

The Haifa refinery in Israel - with an installed capacity of around 4 million tons a year - has been undergoing a modernization programme to bring its operating capacity up to this level. By the end of 1963, the annual output of this refinery was 2.65 million tons - more than double its 1960 output - and it is expected to rise to 3 million tons in 1964 and 4 million tons in 1965 as a result of the current programme of renovation and reconstruction. 75/

In May 1962, steps were taken to modernize the existing refinery in Tripoli, Lebanon. 76/ The Lebanese Government signed an agreement with the Iraq Petroleum Company by which the latter undertook to install, by mid-1964, additional facilities to enable it to produce high-octane benzine, aviation turbine fuel and butane gas in addition to low-grade benzine which has been produced in the past. Since then, further steps have been taken in that direction and a contract has been awarded for a new catalytic reformer which is expected to be completed by mid-1964. 77/

During 1962, a substantial increase in the capacity of the Aden refinery was brought about through modifications and minor additions to existing units. In the same period in Bahrain, the installation of facilities for the removal of sulphur from light naphtha, and other modifications to permit increased production of diesel oil and kerosene were carried out. 78/

Other developments took place in Iraq and Syria. In the fall of 1963, the Qayyarah bitumen plant in Iraq was recommissioned. This plant will process heavy crude oil to produce 50,000 tons of asphalt a year as well as heavy and light fuels. 79/ Plans for the construction of a 40,000-barrel-per-day refinery at Basrah have been postponed, 80/ but long-term plans for the expansion of Iraq's refining capacity were approved in October 1963 by the Economic Planning Board. 81/ There are also in Iraq projects under way for the expansion of the existing liquefied petroleum gas plant to permit an increase in capacity from 10,000 to 17,000 tons a year, and for the addition to existing facilities at Daura of a lube oil plant which will have an initial capacity of 37,500 tons a year, expandable to

73/ A Review of Operations by American Independent Oil Company, 1962.

74/ The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Middle East Oil and the Arabian Peninsula, September 1963.

75/ Petroleum Press Service, January 1964.

76/ Middle East Economic Survey, 25 May 1962.

77/ Oil and Gas Journal, 14 January 1963.

78/ Middle East Economic Survey, 13 July 1962 and 24 May 1963.

79/ Middle East Economic Survey, 22 November 1963.

80/ Oil and Gas Journal, 30 December 1963.

81/ The Economist Intelligence Unit, Ltd., Quarterly Economic Review, Middle East Oil and the Arabian Peninsula, January 1964.

50,000 tons. In Syria early in 1961, a butane gas plant was added to the Homs refinery with a capacity of 4,000 tons a year. 82/

Many of the countries considered in this report have shown their interest in establishing petrochemical industries and some have actually taken steps in this direction.

In Kuwait, the commissioning of a liquefied petroleum gas plant - with a capacity of 6,500 barrels per day of pure propane and butane - was followed in 1962 by a project to increase further production of liquefied petroleum gas. 83/ Two important developments in the direction of establishing petrochemical industries in Kuwait took place in 1963. The Petrochemical Industry Company was established in July - replacing the Kuwait Petrochemical Company - with a capital of KD 16 million. 84/ This was followed later in the year by the formation of another company - Kuwait Chemical Fertilizers - which will establish an ammonia plant with a daily capacity of 400 tons and two other plants using the ammonia as a feed stock to produce urea, ammonium sulphate and other products.

The Government of Saudi Arabia has also shown interest in the development of a petrochemical industry and was reported to have signed a preliminary draft agreement with a Japanese group for the establishment of a large-scale gas-based petrochemical complex in Saudi Arabia to be completed in stages over a period of seven years. The project envisages the construction of plants for the manufacture of propylene, PVC, sulphur, carbon black, and nitrogenous fertilizers. 85/ The completion by Aramco of its plant for commercial production of refrigerated liquefied petroleum gas capable of handling an average of 3,400 barrels per day for export 86/ was followed by a project which increased the capacity of this plant to 12,000 barrels per day as of October 1963. 87/

In Iraq, a sulphur recovery plant, capable of producing 100,000 tons of sulphur per year, will be built near Kirkuk and there are plans for a nitrogenous plant in Basrah. 88/ Another nitrogenous fertilizer plant, with an annual capacity of 110,000 tons, will be built near Homs in Syria. It was originally scheduled to be completed in two stages, in 1964 and 1966, but it appears that the completion of the first stage has now been postponed to the second half of 1965. An agreement was concluded between a United States-German consortium and a group of Lebanese investors early in 1962 to form a company to construct a chemical fertilizer plant in Lebanon

82/ Middle East Economic Survey, 27 January 1961, 24 January 1964 and 10 April 1964.

83/ Annual Review of the Operations of the Kuwait Oil Company, Limited, 1961 and 1962.

84/ Middle East Economic Survey, 2 August 1963.

85/ Middle East Economic Survey, 27 December 1963.

86/ A Review of Operations by the Arabian American Oil Company, 1961.

87/ Middle East Economic Survey, 25 October 1963.

88/ The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review (Annual Supplement), Middle East Oil and the Arabian Peninsula, September 1963.

with an annual production capacity of 90,000 tons of fertilizers.^{89/} In Israel, work continued at the petrochemical complex at Haifa. ^{90/}

Other current developments

OPEC conferences and resolutions

The Fourth Conference of the Organization of Petroleum Exporting Countries (OPEC) met in Geneva from 5 to 7 April and from 4 to 7 June 1962. The resolutions of the Conference were released on 2 July, following their ratification by Member Governments. The Conference admitted Libya and Indonesia as two new Members of the Organization and made a number of recommendations with respect to crude oil prices, royalties and marketing expenses. ^{91/}

With regard to crude oil prices, the Fourth Conference recommended "that Member Countries should forthwith enter into negotiations with the Oil Companies concerned and/or any other authority or body deemed appropriate, with a view to ensuring that oil produced in Member countries shall be paid for on the basis of posted prices not lower than those which applied prior to August 1960. If within a reasonable period after the commencement of the negotiations no satisfactory arrangement is reached, the Member countries shall consult with each other with a view to taking such steps as they deem appropriate in order to restore crude oil prices to the level which prevailed prior to 9 August 1960; and in any event a report as to the result of negotiations shall be submitted to the Fifth Conference for discussion". Further, the Conference recommended the joint formulation by Member countries of a "rational price structure" to guide long-term price policy and directed the Board of Governors to prepare, at the earliest possible date, a comprehensive study on this subject.

The Conference, having considered "that the Member countries' right to receive compensation for the intrinsic value of petroleum is incontestable" and that this compensation should altogether be apart from the companies' obligations falling under the heading of income tax, recommended "that each Member country affected should approach the Company or Companies concerned with a view to working out a formula whereunder royalty payments shall be fixed at a uniform rate which Members consider equitable, and shall not be treated as a credit against income tax liability".

As to the contribution that Member countries make toward the marketing expenses of the companies operating in these countries, the Conference recommended that the Members affected "should take measures to eliminate any contribution to the marketing expenses of the companies concerned".

^{89/} Middle East Economic Survey, 16 February 1962 and 12 April 1963.

^{90/} The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Middle East Oil and the Arabian Peninsula, December 1962, and Annual Supplement, Middle East Oil and the Arabian Peninsula, September 1963.

^{91/} For the resolutions of the Fourth OPEC Conference, the relevant parts of which are quoted below, see Supplement to Middle East Economic Survey, 6 July 1962.

The Conference also dealt with some administrative matters and further recommended that Governments of Member countries create a body along the lines of the Venezuelan Co-ordinating Commission for the Conservation and Commerce of Hydrocarbons.

The Fifth OPEC Conference, which opened in Riyadh on 24 November 1962, was adjourned on the 26th until 30 March 1963. The Conference decided upon this adjournment because the negotiations which had taken place between Saudi Arabia and Aramco and between Iran and the Consortium concerning the subject matter of the Fourth Conference resolutions with respect to crude oil prices, royalties and marketing expenses had not reached a final stage and further time was necessary to allow the negotiating countries to continue them. The need to conclude these negotiations by 30 March 1963 was unanimously emphasized by the Member countries, failing which they "would consult with a view to taking appropriate steps for the implementation of the relevant resolutions of the Fourth Conference". 92/

The second session of the Fifth OPEC Conference, scheduled to being on 30 March 1963, was again postponed. OPEC's Board of Governors held an extraordinary session on 14 and 15 March in Geneva in order to make the necessary preparations for this session. However, having reviewed in detail the negotiations which were conducted with the oil companies by Iran and Saudi Arabia, the Board came to the conclusion that it should advise the Governments of Member countries to the effect that the time was not ripe for holding the meeting scheduled for 30 March. That meeting was envisaged for the purpose of either ratifying a final outcome of negotiations, or consulting about the adoption of appropriate measures for giving effect to the resolutions of the Fourth Conference. Since negotiations had not reached such a stage of finality as to enable the Conference to proceed to either of these alternatives, the Board recommended a meeting of the chief representatives of Member countries to be held in Geneva on 2 April for consultation. 93/ This meeting took place as scheduled and on 4 April a statement was issued to the effect that the second part of the Riyadh Conference would be held before the end of 1963. 94/

The oil companies - in an offer reportedly made in November 1963 - accepted in principle the raising of royalty payments, with two important provisos: (a) that they be allowed a discount on posted prices for tax purposes and (b) that OPEX abandon its demands for restoring Middle East posted prices to their pre-August 1960 level. 95/ The oil companies' offer was rejected at a special meeting of OPEC's chief delegates which was held in Beirut early in December. However, shortly before the second session of the Fifth Conference began on 25 December, the oil companies were reported to have put forward a revised offer. 96/

92/ Supplement to Middle East Economic Survey, 30 November 1962.

93/ Supplement to Middle East Economic Survey, 22 March 1963.

94/ Middle East Economic Survey, 12 April 1963.

95/ With regard to the July 1962 resolution pertaining to marketing allowances, reductions in these allowances to 0.5 cent per barrel were granted to Saudi Arabia by Aramco. See Middle East Economic Survey, 9 August 1963.

96/ Supplement to Middle East Economic Survey, 7 February 1964.

The second session of the Fifth OPEC Conference met in Riyadh from 25 to 31 December 1963. The Conference had as the principal items on its agenda the report of the Secretary General of the Organization concerning the negotiations which he conducted with representatives of the oil companies regarding the July 1962 resolutions relating to royalties and marketing allowances, and the appointment of a new Chairman of the Board of Governors and Secretary General. 97/

Following ratification by the Governments of Member States, the resolutions of the second session of OPEC's Fifth Conference were issued on 20 January 1964. 98/ The Fifth Conference resolved to continue negotiations with the oil companies and a three-member committee was established for this purpose. The Committee was to report the final results to a consultative meeting which was to be held in Geneva on the first Monday of April 1964. It was agreed by all Member Countries that this Committee should be empowered to negotiate on their behalf with the oil companies. The compilation of a "Code of Uniform Petroleum Laws" and the initiation of studies for the establishment of an "inter-OPEC High Court" were the subject matter of another resolution. Attention was given to prices of crude oil and the Conference directed the Secretary General "to prepare a project for the establishment of an inter-OPEC Commission for examining regularly the position of crude oil prices".

Negotiations on the question of royalties took place from 11 to 18 March between OPEC's three-man negotiating Committee and representatives of the Iraq Petroleum Company, the Qatar Petroleum Company and the Kuwait Oil Company, but were reported to have broken down. 99/

The Fourth Arab Petroleum Congress

The Fourth Arab Petroleum Congress, organized by the Secretariat of the League of Arab States, convened in Beirut from 5 to 12 November 1963, and was attended by some 700 delegates representing Governments, companies, organizations, institutions and private participants.

The papers presented to the Congress dealt with various aspects of the petroleum industry, covering three main fields: economics, production and processing of petroleum. In line with the topics offered for discussion, the Congress was organized into three study groups and three panel discussion groups.

At the closing session, on 12 November 1963, the Congress asserted its belief "in the importance of Arab oil as a national resource which has a vital bearing on the development of the Arab economy and the raising of the standard of living in the Arab homeland", and its recognition of "the heavy responsibility of the Arab States in this regard. 100/ Emphasis was put on the need for the Arab States to be afforded "a fair share of their national resources" by the oil companies to

97/ Middle East Economic Survey, 3 January 1964.

98/ Supplement to Middle East Economic Survey, 24 January 1964.

99/ Middle East Economic Survey, 20 March 1964.

100/ Middle East Economic Survey, 15 November 1963.

enable them to develop their economies. In particular, the Congress pointed out the need for the oil companies' response to Arab demands regarding the raising of royalties and the restoration of prices to their pre-August 1960 level, and expressed its hopes that an announcement by the oil companies, indicating their acceptance of the Arab point of view with respect to these problems, would be made in the near future. Attention was also given by the Congress to technical training. The Congress reaffirmed the need for persistent endeavours to create "a generation of Arabs which is conversant with oil affairs and to train Arab technicians and experts who can operate and develop the oil industry", and it recommended that technical institutes and colleges be established by the Arab States for the purpose of training "this generation". Consideration was also given to petroleum and petrochemical research, and the Congress recommended efforts to establish an Arab Institute for Petroleum and Petrochemical Research to be financed by the Arab States and the operating companies in the area. In another resolution, dealing with employment conditions, the need to grant the Arab worker priority of employment and establish complete equality between the Arab and the foreign worker was reaffirmed. Increasing remuneration of Arab workers was also recommended.

New concessions and agreements

In an agreement reached with the Government of Kuwait in May 1962, the Kuwait Oil Company relinquished exploratory rights to 9,262 square kilometres, representing roughly 50 per cent of the original concession area. Further, the Company agreed to relinquish, within a period of five years, an additional 1,000 square kilometres from the offshore area, although retaining the island areas of Failaka and Bubiyan. 101/ The Government decided to grant a concession in the relinquished areas to the Kuwait National Petroleum Company and a government committee has reportedly begun negotiations with the Company "to finalize the terms under which the Company is to be granted the concession. 102/ Another agreement between the Government of Kuwait and the Kuwait Oil Company was reached in September 1963 regarding the use of natural gas, by which the Company agreed to make available to the State the "surplus" natural gas it produces on a "first come first served" basis at cost price, with the provision that it shall be used in Kuwait and not exported. 103/ The signing of a new concessionary agreement between the Government of Kuwait and Aminoil regarding the three islands of Kubr, Qaru and Umm al-Maradim was reported early in 1964; the agreement was to be submitted to the Kuwait National Assembly for approval. 104/

In March 1963, the Government of Saudi Arabia concluded agreements with the Arabian American Oil Company (Aramco) and the Trans-Arabian Pipeline Company (Tapline) by which Aramco relinquished 227,300 square miles of its exclusive concession and another 41,800 square miles of its preferential area, retaining only 125,000 square miles of the exclusive area which will be further reduced by periodic relinquishments - at five-yearly intervals over a period of thirty years -

101/ Annual Review of Operations of the Kuwait Oil Company, Limited, 1962.

102/ Middle East Economic Survey, 10 January 1964.

103/ Middle East Economic Survey, 20 September 1963.

104/ Middle East Economic Survey, 14 February 1964.

to 20,000 square miles.^{105/} The agreement with Aramco also resolved the so-called "Sidon claim"; ^{106/} it provided, too, for exploration and development costs to be amortized over a period of years instead, as was the former practice, of treating them as current expenses, and for accelerated tax payments to the Government. In April of the same year, the Saudi Arabian Government signed another agreement with Aramco reducing the latter's marketing allowances from about 4.2 to 0.5 cents per barrel, retroactively to 1 January 1962. This agreement will result in an additional income to the Government of about 1.85 cents per barrel. ^{107/}

The Government of Saudi Arabia also signed a new agreement with the Arabian Oil Company in September 1963. According to the provisions of the agreement, Saudi Arabia is to obtain a higher share of profits - 57 per cent instead of 56 per cent, in addition to a \$5 million bonus payment - which will bring its terms into line with those of the Company's agreement with Kuwait. In addition, this Company agreed to make an annual contribution of \$200,000 to the projected Petroleum and Mining College in Saudi Arabia, build a refinery at Ras al-Khafji, increase its local purchases from Saudi Arabian merchants and provide additional benefits to Saudi employees. ^{108/}

Another development - concerning both Saudi Arabia and Kuwait - was the agreement, reached between the two Governments in March 1964, regarding the Status of the Neutral Zone. The two Governments decided to partition the Neutral Zone between them for administrative purposes, retaining, however, existing arrangements for the equal sharing of natural resources. ^{109/}

Another concessionary development was the relinquishment in July 1963 of 1,237 square miles of concession area by the Qatar Petroleum Company. This, together with a previous relinquishment of 1,737 square miles made in December 1961, reduced its concession area to approximately 1,000 square miles from an original

^{105/} Middle East Economic Survey, 29 March 1963.

^{106/} "Profits on oil delivered through Tapline to Zahrani near the Sidon terminal, during the period 6 October 1953 and 31 December 1962, will now be recalculated on the basis of the Sidon posted prices minus Tapline transport charges and transit and other payments to Governments of Saudi Arabia, Jordan, Syria and Lebanon. Both the Government and Aramco have reserved their respective rights and positions in regard to Zahrani sales previous to 6 October 1953. The exact amount of the arrears due to the Government from Aramco is to be determined by an audit committee." This committee was reported to have completed its work. The amount, according to the Saudi Arabian Oil Minister came to "something over \$160 million", excluding a further "frozen" sum of \$60 million in respect to income taxes arising from crude oil sales at Zahrani, Lebanon, prior to 6 October 1953. See Middle East Economic Survey, 27 December 1963 and Saudi Arabian Monetary Agency, Annual Report, 1381-82 A.H.

^{107/} Middle East Economic Survey, 10 May 1963.

^{108/} Middle East Economic Survey, 20 September 1963.

^{109/} Middle East Economic Survey, 13 March 1964.

concession of about 4,000 square miles.^{110/} Later, in September 1963, Continental Oil Company was awarded concession rights covering all acreage in Qatar not under concession on 15 September 1963. ^{111/}

Further concessionary developments took place in the Trucial Coast Sheikhdoms of Dubai, Sharjah, Ajman, Umm al-Qaiwain and Ras al-Khaimah. In Dubai, a concession covering the land area and territorial waters was awarded the Dubai Petroleum Company - a wholly-owned subsidiary of Continental Oil Company - in April 1963, providing for an initial payment and for a fifty-fifty profit sharing; ^{112/} in September of the same year this company acquired a 50 per cent interest in the off-shore concession of Dubai Marine Areas. ^{113/} In 1962, John W. Mecom signed agreements for exploration in the Sheikhdoms of Sharjah, ^{114/} Ajman and Umm al-Qaiwain. Another concession was granted to Union Oil of California and Southern Natural Gas in the Sheikhdom of Ras al-Khaimah, covering 1.5 million acres of on-shore and off-shore area; the agreement was signed in March 1964. ^{115/} In 1962, John W. Mecom acquired the Dhofar concession from Cities Service and Richfield and by the end of the year, Pure Oil Company acquired an interest in the concessions held by him in Dhofar, Yemen and the Sheikhdoms of Sharjah, Ajman and Umm al-Qaiwain. ^{116/}

Other concessionary rights in the Arabian Peninsula were granted by Yemen and the Mahra Sultanate. In Yemen, John W. Mecom acquired in 1961 a 10,000-square-mile concession, covering an area on the coastal plain and off-shore waters, and providing for a five-year exploration period and thirty-year development terms. ^{117/}

^{110/} The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review (Annual Supplement), Middle East Oil and the Arabian Peninsula, September 1963; and Middle East Economic Survey, 6 September 1963.

^{111/} Middle East Economic Survey, 20 September 1963.

^{112/} Rights over the area were relinquished in December 1962 by Petroleum Development (Trucial Coast). See Petroleum Press Service, May 1963.

^{113/} Middle East Economic Survey, 27 September 1963.

^{114/} Covering land and off-shore areas. The land rights were relinquished in 1959, and the off-shore rights in 1961 by Petroleum Development (Trucial Coast). See Petroleum Press Service, September 1962 and Middle East Economic Survey, 26 July 1962.

^{115/} Middle East Economic Survey, 13 March 1964.

^{116/} Petroleum Press Service, December 1962 and November 1963.

^{117/} Operations were reported to have been shut down as a result of the recent disturbance in Yemen. See Middle East Economic Survey, 19 October 1962, and Oil and Gas Journal, 30 December 1963.

In July 1962, an agreement was signed between the Mahra Sultanate and Pan American International which provides for 55 per cent of the net profits to go to the Mahra Sultanate, with an option for participation of up to 20 per cent in the capital, in which case profits will be shared on a fifty-fifty basis. 118/

In Lebanon, an agreement was concluded between the Compagnie libanaise des pétroles and an Italian firm - Ausonia Mineraria - to conduct oil explorations in Lebanon. Under the terms of this agreement, Ausonia will drill two wells with an option for a third and will get a royalty of 4.25 per cent of any oil discoveries. Following the agreements concluded between Tapline on the one hand and Jordan and Syria on the other, Tapline concluded an agreement with Lebanon in August 1962 concerning the passage of crude oil in the company's pipelines crossing Lebanese territory. According to the terms of this "supplemental" agreement, effective as of 1 November 1961, instead of the transit fee of £1.5 per 1,000 tons provided for by the 1946 Convention, the following amounts will be paid per barrel of crude oil: 119/ (a) 0.465 cents per barrel transported across Lebanon; (b) an additional 2.00 cents per barrel delivered on board ships from the Sidon terminal, half of which will be held by Tapline pending joint written instructions from the Governments of Lebanon and Syria regarding the interpretation of the 1947 and 1949 agreements between the two countries concerning arrangements for the sharing of benefits derived from crude exports from Sidon; 120/ (c) additional payment of 0.457 cents per barrel delivered from the Sidon terminal other than on board ships.

The agreement with Lebanon provided also for the payment of \$11,653,000 in full and final settlement of claims prior to 1 August 1962, with a further sum of \$865,518 relating to payments for the period 1 November 1961-31 July 1962 under (b) above which will be retained by Tapline pending joint written instructions from the Governments of Lebanon and Syria regarding their disposal. Also, in lieu of any arrangement for the supply of crude oil at a reduced price for the purpose of furnishing products for Lebanese consumption, Tapline will pay the Government \$500,000 a year.

Other provisions concern the payment of security fees which were raised from £25,000 to \$161,200, loading fees which were increased from 2.88 English pence per ton to three-pence per ton, and the payment of one lump sum of £1175,000 to the Government to be distributed among the various municipalities, which replaced the separate Tapline-municipalities arrangements.

On 31 August 1963, the Jordanian Government cancelled the Iraq Petroleum Company's concession upon the latter's request, provided that all of the Company's immovable property in Jordan should revert to the Government, in addition to a payment of £200,000 in final settlement. 121/

118/ This agreement is similar to that concluded in 1961 between Pan American International and the Sultanates of Quaiti and Kathiri. See Middle East Economic Survey, 20 and 27 July 1962.

119/ Middle East Economic Survey, 10 August 1962, 25 January 1963 and 12 July 1963.

120/ It was reported that Syria and Lebanon have reached an agreement to share payments on a fifty-fifty basis. See Middle East Economic Survey, 27 September 1963.

121/ Middle East Economic Survey, 6 September 1963.

On 25 March 1964, a concessionary agreement was signed by the Government of Jordan with John W. Mecom which granted the latter a forty-year oil concession covering the whole of the Jordan territory. Under the terms of this concession, 50 per cent of the area must be relinquished in the first two years, and in the event of oil discovery in commercial quantities, 20 per cent of the remaining area must be relinquished every five years. It is worth noting that the last concessionaire in Jordan, Philips Petroleum, withdrew in 1960 after drilling six dry holes. 122/

CHAPTER 4

FOREIGN TRADE AND PAYMENTS

Foreign trade plays a major role in the economic life of all the countries covered in this report, although the degree of its importance varies from one country to another. ^{1/} With its exports of oil constituting almost one-half of its gross national product and 93 per cent of its total exports, Iraq's dependence on foreign trade is evident. Its ability to import goods, including capital equipment, the level of its economic activity and the rate of its economic growth depend primarily on oil exports. In Israel, although the ratios of exports and imports to GNP are low (see table 4-1), its economy is still highly dependent upon the outside world, especially for the import of capital goods. Of special importance to its economy is the inflow of official and private unilateral transfers which, during the period 1957-1962 amounted to 82 per cent of Israel's deficit on current account. In 1962 it covered 39 per cent of its imports of goods and services and constituted 10 per cent of its GNP. It was this inflow of foreign resources that enabled Israel to invest over a quarter of its GNP and achieve an average rate of annual income growth of 9 per cent in real terms during the period.

Jordan's dependence on the foreign trade sector of its economy might appear to be less than that of other countries since its merchandise exports constitute an average of only 4 per cent of its GNP. However, Jordan's total merchandise trade (exports plus imports) has constituted, on the average, 47 per cent of its GNP and when services are included, this ratio rises to an average of 63 per cent. Moreover, Jordan receives large unilateral transfer payments which, on the average, cover about 93 per cent of its payments deficit on current account. Official transfers alone have accounted for an average of 75 per cent of this deficit and 53 per cent of its imports of goods and services. ^{2/} It was largely because of these contributions that, during the period 1959-1961, Jordan was able to devote about 14 per cent of its GNP to gross domestic capital formation and, consequently, achieve an average income growth (at current market prices) of about 16 per cent per year.

Lebanon is also greatly dependent upon external trade, especially for its imports, which rose from 52 per cent of its net national product in 1957 to 66 per cent in 1962.

Both export and import trade play important roles in the economic life of Syria. The ratios of merchandise exports and imports to NNP constituted an average of 19 per cent and over 32 per cent, respectively, during the period 1957-1962. Imports of machinery formed 32 per cent of its gross capital formation. ^{3/}

^{1/} The countries covered in this chapter are Iraq, Israel, Jordan, Lebanon, Syria, and, where data are available, Kuwait and Saudi Arabia.

^{2/} See foot-note 27 for details.

^{3/} Gross capital formation formed an average of 16 per cent of NNP at 1956 prices in the period 1957-1961.

Table 4-1. Selected Countries: Relationship of Exports and Total Foreign Trade to Gross National Product, 1957-1962 Averages

Item and country	Average 1957-1962
<u>Merchandise exports as percentage of GNP</u>	
Iraq:	
Including oil sector	45
Excluding oil sector	3
Israel	9
Jordan	4
Lebanon ^{a/}	8
Syria ^{a/}	19
<u>Merchandise trade (exports, f.o.b., plus imports, c.i.f.) as percentage of GNP</u>	
Iraq:	
Including oil sector	70
Excluding oil sector	28
Israel	30
Jordan	47
Lebanon ^{b/}	67
Syria ^{b/}	50

Source: Based on data obtained from United Nations, Yearbook of International Trade Statistics, 1958 and 1961 (Sales Nos.: 59.XVII.2, vol. 1 and 62.XVII.8); International Monetary Fund, International Financial Statistics, vol. XVI, No. 8 (Washington, D.C.); Iraq: Central Bank of Iraq, Quarterly Bulletin, Nos. 34, 40, 43 and 47 (Baghdad); Israel: Central Bureau of Statistics, Statistical Abstract of Israel, 1963 (Jerusalem); Jordan: Ministry of National Economy, Jordan Statistical Yearbook, 1962; Department of Statistics, National Accounts, 1959-1962 (Amman); Lebanon: Conseil supérieur des douanes, Statistiques du commerce extérieur, for the years 1957, 1959, 1960, 1961 and 1962 (Beirut); Syria: Ministère des Finances, Direction générale des douanes, Statistiques du commerce extérieur, 1962; Banque centrale de la Syrie, Bulletin périodique, No. 2, 1963 (Damascus); and other national and private sources.

a/ Merchandise exports as percentage of net national product.

b/ Merchandise trade as percentage of net national product.

Their dependence on a few commodities - many of which are agricultural products - for their export trade renders these economies particularly vulnerable to changes in weather conditions. As is evident from table 4-2, the preponderance of such products caused export earnings to fluctuate widely in most countries of the region. While import disbursements also showed substantial fluctuations, they generally followed a rising trend.

The absence of diversification in the export trade is illustrated in the case of Iraq by the export of oil to the extent of over 93 per cent of its total exports and over 40 per cent of its GNP, and by Israel's exports of citrus fruits and diamonds (cut and polished) which constituted 57 per cent of the value of its total exports during 1957-1962. Similarly, Jordan exported crude fertilizers and fruits and vegetables to the extent of 70 per cent of the value of its total exports, and Syria, cotton, wheat and barley to the extent of 90 per cent.

Table 4-2. Selected Countries: Annual Percentage Changes in Values of Total Exports and Imports, 1957-1962

Item and country	1958 ^{a/}	1959	1960	1961	1962
<u>Exports</u>					
Iraq	+59	+ 7	+ 8	-	+ 5
Israel	-	+27	+21	+13	+14
Jordan	-27	- 2	+12	+22	+16
Lebanon	-23	+26	+ 2	+ 1	+30
Syria	-24	-16	- 5	+ 5	+76
<u>Imports</u>					
Iraq	-11	-	+25	+ 7	- 5
Israel	- 3	+ 2	+17	+17	+ 7
Jordan	+12	+19	+ 6	- 2	+ 9
Lebanon	-15	+22	+18	+ 8	+ 7
Syria	+12	- 6	+25	-20	+32

Source: Based on data obtained from United Nations, Yearbook of International Trade Statistics, 1958 and 1961; Iraq: Central Bank of Iraq, Quarterly Bulletin, Nos. 34, 40, 43 and 47; Israel: Central Bureau of Statistics, Statistical Abstract of Israel, 1963; Jordan: Ministry of National Economy, Jordan Statistical Yearbook, 1962; Lebanon: Conseil supérieur des douanes, Statistiques du commerce extérieur, 1957, 1959, 1960, 1961 and 1962; Syria: Ministère des Finances, Direction générale des douanes, Statistiques du commerce extérieur, 1962.

a/ The percentage changes recorded in this year are with respect to total export and import values in 1957.

Composition of trade

The value of the total exports of the countries covered by this report continued to rise between 1960 and 1962, the rise being especially significant in 1962. However, the rates of increase in exports varied substantially between one commodity and another.

Except for Israel, the rise in total exports was attributable mainly to the increase in exports of food items and, to a less extent, of raw materials. The rise in exports of agricultural commodities in 1962, as compared to 1960, was responsible for the major part of the increase in total exports of Iraq, Jordan, Lebanon and Syria. ^{4/} The agricultural crop yields of most of these countries, particularly those of Syria, had been severely reduced by four consecutive drought years. It was in 1962 - a year of relatively abundant rainfall - that the exports of food-stuffs caused appreciable increases in the total exports of those countries that depend heavily on agricultural exports. The remaining increase was, to a large extent, accounted for by the rise in exports of raw materials, and, to a much less extent, of manufactured products. These two categories accounted for 9 per cent of the increase in the total exports of Iraq, 32 per cent of Jordan, ^{5/} 39 per cent of Lebanon, ^{6/} and 23 per cent of Syria, ^{7/} in the period from 1960 to 1962.

^{4/} Owing to the prolonged drought conditions in the region, which affected Syria very unfavourably, production of wheat and barley (Syria's two main grain crops) fell from 1,345,000 to 553,000 tons for wheat and from 721,000 to 157,000 tons for barley, in 1957/58 and 1960/61, respectively. Syria's total imports of grains from the United States in fiscal years 1958/59 and 1960/61 were over 437,000 tons. For details, see tables I-5 and I-3 in Economic Developments in the Middle East, 1959-1961 (Sales No.: 62.II.C.2). The export values of wheat and barley in the 1957-1962 period were as follows (in millions of Syrian pounds):

	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>
Wheat	88.62	44.75	-	-	-	74.21
Barley ...	51.97	12.90	-	-	3.61	75.32

^{5/} Consisting mostly of crude fertilizers, olive oil, cement and mother-of-pearl products. The following details are given for crude fertilizers due to their importance in Jordan's exports:

	<u>1960</u>	<u>1961</u>	<u>1962</u>
Value (millions of dinars)	1.305	1.554	1.456
Volume (thousands of tons)	318.8	382.8	358.3

^{6/} Raw materials consist mainly of wool in lump, cotton (raw) and hides and skins. Lebanon recently succeeded in entering the market of neighbouring Arab countries for newly manufactured iron, steel, aluminium and other products, in addition to its more traditional products, such as cotton yarn and textiles, jewellery, printed matter and, in certain years, cement.

^{7/} Cotton, which constitutes a very high percentage of the total exports of raw materials, was the main contributing factor. In "normal" years, exports of raw materials form about 45 per cent of the total exports of Syria, with cotton representing 85 per cent of these. The export values of raw materials and cotton lint in the period 1960-1962 were as follows (in millions of Syrian pounds):

	<u>1960</u>	<u>1961</u>	<u>1962</u>
Raw materials	217.77	247.47	299.68
Cotton lint	174.69	205.68	260.68

It is of some interest to note that, although the absolute value of exports of manufactured articles generally increased, the relative share of this group in the total declined for all countries, except Israel. In the case of Israel, the rise in total exports was almost entirely due to the expansion in this category of exports 8/ (see table 4-3).

On the import side, the expansion between 1960 and 1962 also varied considerably from one country to another, ranging from 2 per cent in the case of Iraq to 25 per cent in the case of Israel. Lebanon registered a 15 per cent rise in its imports while Jordan and Syria each experienced a rise of 6 per cent.

Iraq's imports increased from ID 124 million in 1960 to ID 133 million in 1961, but fell to ID 127 million in 1962 owing to the decline in imports of foodstuffs and machinery.

More than 50 per cent of the rise in Israel's total imports was due to the increase in its imports of raw materials and machinery, the latter alone rising from \$139 million in 1960 to \$181 million in 1962. Israel's imports of these two categories, which constituted in 1962 45 per cent of the total, were the highest recorded for the region. Compared to 1957, imports of mineral fuels lost their importance on account of the increase in domestic production of crude oil 9/ and the wider utilization of natural gas in industry.

Lebanon's imports in 1962 were 15 per cent higher than their 1960 level. The rise in the imports of foodstuffs and "other" items accounted for about 83 per cent of the total, raw materials 10/ and machinery 11/ for the remaining 17 per cent.

The 6 per cent rise in the total imports of Jordan between 1960 and 1962 was mainly due to the increase in the imports of machinery and "other" items.

8/ Exports of diamonds (cut and polished), which rose by about 47 per cent between 1960 and 1962, constituted an average of 45 per cent of the exports of manufactured articles. Their value in this period was as follows (in millions of dollars):

<u>1960</u>	<u>1961</u>	<u>1962</u>
60.86	70.33	89.31

9/ Crude oil production rose from 88,000 tons in 1958 to 134,000 tons in 1961.

10/ These consisted mostly of oil-seeds, wood (simply sawn), cotton, wool and hides and skins.

11/ Imports of automobiles in this period were largely responsible for this increase. The decrease in 1962 was almost entirely due to the fall in the value of imported cars (including trucks and buses) from LL 40.79 million in 1961 to LL 32.30 million in 1962.

Table 4-3. Composition and Value Indices of Exports and Imports, by Major Categories, 1957 and 1962 (1960 = 100)

Item	Iraq		Israel		Jordan		Lebanon		Syria											
	Percentage of total	Value index	Percentage of total	Value index	Percentage of total	Value index	Percentage of total	Value index	Percentage of total	Value index										
	1957	1962	1957	1962	1957	1962	1957	1962	1957	1962										
Total exports .	100	100	55	105	100	100	65	129	100	100	126	142	100	100	100	130	100	100	163	185
Food, beverages and tobacco .	6	6	168	337	42	27	82	107	58	56	139	154	47	44	99	138	39	42	424	521
Raw materials .	2	1	157	144	3	4	79	216	29	36	82	116	12	10	137	169	46	49	114	138
Mineral fuels, etc.	90	92	51	100	-	1	2	289	-	-	-	-	0.5	0.5	197	294	-	-	-	-
Manufactured articles . .	2	1	151	117	55	67	56	136	13	8	358	237	40	38	93	113	15	8	126	76
Total imports .	100	100	90	102	100	100	87	125	100	100	71	106	100	100	81	115	100	100	76	106
Food, beverages and tobacco .	20	18	75	78	18	12	108	104	32	29	71	95	29	28	95	130	15	22	49	95
Raw materials .	4	5	73	96	21	16	121	131	4	5	69	124	8	8	101	112	8	7	68	79
Mineral fuels, etc.	-	-	-	-	12	6	149	115	8	6	82	85	9	9	78	101	13	7	128	95
Machinery and Transport Equipment . .	28	13	130	68	24	29	75	130	13	18	61	130	17	18	70	108	16	18	74	112
Other import items	47	64	83	127	26	37	61	129	43	43	73	108	34	37	75	114	47	47	85	117

Source: See appendix tables IV-1, IV-4, IV-7, IV-12 and IV-17.

The modest rise in Syria's imports in 1962, as compared to 1960, was mainly caused by the increase in imports of machinery and "other" items. While Syria continued to be a heavy importer of mineral fuels, the increased output of gasoline from the Homs refinery was responsible for a slightly declining trend in these imports.

The pattern of Syria's exports and imports in this period was, to a large extent, the result of the adverse effects of four consecutive drought years - which reduced and, in some years, eliminated Syria's exports of certain major agricultural products - and the consequent restrictive measures taken in order to curtail imports. 12/

Direction of trade

Geographic concentration of external trade constitutes another element in its instability. Between three-fifths and four-fifths of the export trade of Jordan and Lebanon are directed to the Middle East, while Israel and Iraq send most of their exports to western Europe, which, in turn, is their major supplier of imports (see table 4-4).

Intra-regional trade

Except for a substantial fall in the percentage share of Syria's and Lebanon's trade with the Middle East in this period, there were no other major changes in the intra-regional distribution of trade. The drastic and sudden fall in the exports and imports of Syria in 1962 was the result of the severance of relations with the United Arab Republic. 13/

Iraq's intra-regional trade constituted a small percentage of its total trade. Its exports to the region, which averaged 5.2 per cent of its total exports in the period 1957-1962, showed a declining tendency, while its imports remained fairly stable. Iraq's commodity trade balances with the region remained in surplus, except for 1961 when there was a slight deficit.

12/ Mostly because of the poor harvest, Syria introduced restrictive measures in late 1958 with a view to reducing imports of non-essentials. This was not fully achieved in 1958 because of monetary expansion and the desire of merchants to build up their inventories. However, in 1959, imports dropped by about 6 per cent as compared to the 1958 level. This trend was reversed in 1960, partly due to the necessity of importing large quantities of grains. The effects of the measures taken were more fully reflected in 1961 when imports dropped to 80 per cent of their 1960 level. This falling trend was reversed in 1962 as a result of the trade liberalization policy that was introduced in late 1961 and early 1962.

13/ Syria's imports from the United Arab Republic declined from LS 67.66 million in 1961 to LS 3.22 million in 1962. Similarly, its exports to the United Arab Republic dropped from LS 42.74 million in 1961 to LS 5.26 million in 1962.

Table 4-4. Shares of Middle East and Western Europe in the Foreign Trade of Selected Middle East Countries, 1957-1962 Averages and 1960-1962 (Percentage of total values of exports and imports)

Country	Exports				Imports			
	Average 1957-1962	1960	1961	1962	Average 1957-1962	1960	1961	1962
	<u>Middle East</u>							
Iraq	5.2	2.0	3.0	3.0	4.0	4.0	3.0	4.0
Israel	5.2	5.0	4.0	4.0	1.3	2.0	1.0	1.0
Jordan	66.5	61.0	61.0	69.0	26.8	28.0	22.0	21.0
Lebanon	61.3	67.0	78.0	55.0	21.7	20.0	17.0	21.0
Syria	37.7	45.0	35.0	28.0	18.3	19.0	22.0	12.0
	<u>Western Europe</u>							
Iraq	71.0	70.0	78.0	79.0	51.7	50.0	48.0	45.0
Israel	57.8	60.0	56.0	55.0	49.3	51.0	51.0	50.0
Jordan	-	1.0	1.0	-	42.8	44.0	42.0	44.0
Lebanon	18.3	15.0	14.0	20.0	52.2	56.0	53.0	48.0
Syria	30.8	22.0	26.0	43.0	47.0	47.0	41.0	48.0

Source: See table 1-1 and appendix tables IV-2, IV-3, IV-5, IV-6, IV-8, IV-9, IV-13, IV-14, IV-18 and IV-19.

Israel's trade with the Middle East, which was limited only to Cyprus and Turkey, represented, on the average, about 5 per cent of its total exports in the 1957-1962 period. ^{14/} Its imports from the region were negligible.

The level of Jordan's intra-regional trade was higher than that of any other Middle East country in this period. In 1962 its exports to the Middle East represented 69 per cent of its total exports. Although its imports from the region amounted to only 21 per cent of its total imports in 1962, their absolute value was almost three times that of its intra-regional exports. Considering the period 1957-1962, Jordan had a continuous trade deficit with the region, which was largest in 1960 but which showed some improvement in 1961 and 1962.

Lebanon's exports to the region - which constituted, in 1960, 67 per cent of its total exports - fluctuated considerably, rising from LL 96 million in 1960 to LL 121 million in 1961, but dropping in 1962 to a level which was only 10 per cent higher than that of 1960. Its intra-regional imports, on the other hand, which stood at 20 per cent of its total imports in 1960, rose in 1962 by LL 63 million over the 1960 level. Lebanon's regional trade balance, which was consistently in deficit, fluctuated considerably during this period, amounting to LL 116.9 million in 1962.

Other external trade

A substantial part of the external trade of most of the countries under consideration in this period was conducted with western Europe. On the export side, it was highest for Iraq, followed by Israel, Syria and Lebanon. Only Jordan's exports to western Europe were negligible. On the import side, practically every country under consideration depends, to the extent of almost one-half of its total imports, on western Europe. The distribution of the remaining part of the trade of these countries varies from one country to another. A relatively large share of this trade was carried out with the United States and, to a less extent, with the centrally planned countries.

Most of Iraq's exports in this period were transacted with western Europe (see table 4-5). Between 1960 and 1962 the only noticeable change that took place in the distribution of Iraq's trade was a slightly rising tendency in the export of goods to the European Economic Community (EEC), ^{15/} offset by an almost equal fall in its exports to the "rest of the world".

^{14/} Its exports to Turkey consisted of industrial products (mostly cement), and its imports of food, beverages, tobacco and raw materials. Its exports to Cyprus were of both industrial and agricultural products, the latter consisting mostly of eggs.

^{15/} Iraq's crude oil exports to the EEC countries formed over 57 per cent (in weight) of its total crude oil exports during the period 1957-1962.

Table 4-5. Iraq: Distribution of Foreign Trade,
1957-1962 Averages and 1960-1962
(Percentage of value)

Country or area	Exports				Imports			
	Average 1957-1962	1960	1961	1962	Average 1957-1962	1960	1961	1962
Middle East countries . .	5.2	2.0	3.0	3.0	4.0	4.0	3.0	4.0
EEC countries	50.5	46.0	56.0	56.0	21.5	20.0	20.0	22.0
Rest of western Europe .	20.5	24.0	22.0	23.0	30.1	30.0	28.0	23.0
United States	3.1	3.0	3.0	1.0	12.2	11.0	11.0	12.0
Centrally planned countries	0.7	1.0	1.0	1.0	7.3	9.0	11.0	15.0
Rest of the world	19.8	24.0	16.0	15.0	24.7	24.0	27.0	24.0

Source: For data covering 1960-1962, see appendix table IV-2.

Its imports were also heavily dependent upon western Europe, representing an average of over 50 per cent of the total. A declining trend in imports from the "rest of western Europe" was observed, accompanied by an almost equal rise in imports from the centrally planned countries.

Except for the Middle East and western Europe, Iraq was generally in a deficit position with respect to all other groups of countries.

The greater part of Israel's trade was carried out with western Europe, constituting an average of 58 per cent of its total exports and 49 per cent of its total imports in the 1957-1962 period (see table 4-6). Over 43 per cent of Israel's exports to western Europe and 55 per cent of its imports from that region were transacted with members of the European Economic Community.

Table 4-6. Israel: Distribution of Foreign Trade,
1957-1962 Averages and 1960-1962
(Percentage of value)

Country or area	Exports				Imports			
	Average 1957-1962	1960	1961	1962	Average 1957-1962	1960	1961	1962
Middle East countries ^{a/} . .	5.2	5.0	4.0	4.0	1.3	2.0	1.0	1.0
EEC countries	25.2	30.0	28.0	26.0	27.0	29.0	29.0	24.0
Rest of western Europe .	32.7	30.0	28.0	29.0	22.3	22.0	22.0	26.0
United States	14.7	14.0	16.0	15.0	29.2	29.0	29.0	34.0
Centrally planned countries	3.2	2.0	3.0	3.0	1.3	1.0	1.0	1.0
Rest of the world	19.2	20.0	21.0	23.0	18.5	17.0	18.0	14.0

Source: For data covering 1960-1962, see appendix table IV-5.

^{a/} Exclusively with Cyprus and Turkey.

Although the relative share of Israel's exports to the European Economic Community declined, there was a continuous growth in their absolute values.

One of the significant developments in Israel's distribution of trade was the substantial increase in 1962 of its imports from the "rest of western Europe", amounting to about \$50 million as compared to 1960. Although its exports to this group also expanded in absolute terms, they did not rise as rapidly as did its imports. Thus, the balance of Israel's trade with western Europe, including the EEC countries, remained heavily in deficit, amounting to about \$164 million in 1961 and \$150 million in 1962. Another important development was the expansion in Israel's exports to the "rest of the world", amounting to more than \$23 million between 1960 and 1962. During the same period, Israel's trade with the United States also showed a sharp rise, with both exports and imports rising by more than 40 per cent in 1962 as compared with 1960. In absolute terms, however, the expansion in exports amounted to only \$12.9 million while that of imports amounted to about \$62 million, thus aggravating Israel's trade deficit with the United States still further.

Available data show that while Jordan's exports to western Europe were negligible, its imports from this group of countries constituted an average of about 43 per cent of its total imports in the 1960-1962 period, almost one-half of which was supplied by the EEC countries (see table 4-7). Jordan's trade deficit with western Europe, which amounted to about JD 18 million in 1960, remained fairly stable in the succeeding years.

Table 4-7. Jordan: Distribution of Foreign Trade, 1957-1962 Averages and 1960-1962 (Percentage of value)

Country or area	Exports				Imports			
	Average 1957-1962	1960	1961	1962	Average 1957-1962	1960	1961	1962
Middle East countries . .	66.5	61.0	61.0	69.0	26.8	28.0	22.0	21.0
EEC countries	-	-	-	-	22.7	25.0	20.0	21.0
Rest of western Europe .	-	1.0	1.0	-	20.2	19.0	22.0	23.0
United States	-	-	-	-	11.2	12.0	17.0	13.0
Centrally planned countries	7.8	11.0	8.0	-	6.2	6.0	6.0	6.0
Rest of the world	24.2	26.0	30.0	29.0	13.8	11.0	14.0	15.0

Source: For data covering 1960-1962, see appendix table IV-8.

During this period, Jordan's imports from the United States fluctuated, but in 1962 were higher by about 1 million dinars over the 1960 level. However, Jordan continued to have a trade deficit with the United States which, in 1962, amounted to about JD 6 million. Trade with the centrally planned countries remained relatively insignificant, although imports generally followed a rising trend. Jordan's trade with the "rest of the world" continued to rise in 1961 and 1962.

Lebanon's exports to western Europe, constituting about 15 per cent of its total in 1960, rose by more than LL 15 million in 1962 mainly as a result of the expansion in exports to the EEC countries (see tables 4-8 and IV-13).

Table 4-8. Lebanon: Distribution of Foreign Trade,
1957-1962 Averages and 1960-1962
(Percentage of value)

Country or area	Exports				Imports			
	Average 1957-1962	1960	1961	1962	Average 1957-1962	1960	1961	1962
Middle East countries .	61.3	67.0	78.0	55.0	21.7	20.0	17.0	21.0
EEC countries	10.5	7.0	6.0	12.0	26.2	28.0	27.0	23.0
Rest of western Europe.	7.8	8.0	8.0	8.0	26.0	28.0	26.0	25.0
United States	5.2	6.0	4.0	5.0	13.8	11.0	17.0	19.0
Centrally planned countries	5.8	7.0	3.0	6.0	3.0	3.0	3.0	3.0
Rest of the world	9.3	5.0	2.0	14.0	9.3	10.0	9.0	9.0

Source: For data covering 1960-1962, see appendix table IV-13.

Of the total value of Lebanon's exports to western Europe, which amounted to LL 38.4 million in 1962, EEC's share was 61 per cent. Approximately 56 per cent of Lebanon's total imports (LL 808 million in 1960) was supplied by western Europe, the member countries of EEC supplying slightly more than one-half of these. Although imports from western Europe were higher by about LL 50 million in 1962, as compared to 1960, their relative share declined slightly, from 56 per cent in 1960 to 48 per cent in 1962.

Lebanon's large trade deficit with western Europe increased from LL 434 million in 1960 to LL 477 million in 1961 and was LL 467 million in 1962. Its trade deficit with the EEC countries alone constituted one-half of this deficit.

Lebanon's exports to the United States in 1960 represented slightly less than 10 per cent of its imports from that country. While these exports fluctuated, imports from the United States more than doubled in two years. Consequently, the percentage of exports to imports fell to 5 per cent in 1962 and the trade deficit with the United States deteriorated from LL 80 million in 1960 to about LL 183 million in 1962.

Lebanon's trade with the centrally planned countries generally showed a slightly increasing tendency in absolute terms between 1960 and 1962, although it constituted a relatively small percentage of its total trade. Lebanon's trade with the "rest of the world" increased substantially in absolute terms between 1960 and 1962. However, since the increase in exports was, to a large extent, offset by the rise in imports, the deficit with the "rest of the world" remained in 1962 at a level only slightly less than that of 1960.

Syria's exports to western Europe increased from LS 90 million in 1960 to LS 104 million in 1961 and again sharply to LS 264 million in 1962. As the rate of exports to western Europe increased faster than that of total exports, their relative position in Syria's exports improved appreciably from 22 per cent in 1960 to 43 per cent in 1962 (see table 4-9).

Table 4-9. Syria: Distribution of Foreign Trade,
1957-1962 Averages and 1960-1962
(Percentage of value)

Country or area	Exports				Imports			
	Average 1957-1962	1960	1961	1962	Average 1957-1962	1960	1961	1962
Middle East countries .	37.7	45.0	35.0	28.0	18.3	19.0	22.0	12.0
EEC countries	25.3	18.0	18.0	33.0	31.2	32.0	27.0	31.0
Rest of western Europe.	5.5	4.0	8.0	10.0	15.8	15.0	14.0	17.0
United States	3.3	3.0	3.0	1.0	11.0	13.0	15.0	12.0
Centrally planned countries	20.7	20.0	24.0	23.0	12.0	10.0	12.0	15.0
Rest of the world . . .	8.3	10.0	11.0	5.0	11.8	11.0	9.0	12.0

Source: For data covering 1960-1962, see appendix table IV-18.

The relative importance of Syria's imports from western Europe in 1962 was about the same as that of 1960, constituting about 47 per cent of its total imports. It is of some interest to note that Syria's trade with the EEC countries constituted the major part of its trade with western Europe and represented 33 per cent of its total exports and 31 per cent of its total imports in 1962.

Syria's exports to the United States, which were about LS 12 million in 1960 and 1961, declined to LS 8 million in 1962, while its imports from the United States declined from LS 115 million in 1960 to LS 106 million in 1962. Consequently, Syria's trade deficit with the United States showed some improvement, although remaining in the neighbourhood of LS 100 million.

Syria's total trade with the centrally planned countries showed considerable improvement between 1960 and 1962, both in absolute and relative terms. The trade deficit with these countries, however, increased from about LS 5 million in 1960 to about LS 20 million in 1962.

Syria's exports to the "rest of the world", which averaged about LS 43 million in 1960 and 1961, dropped sharply to LS 29 million in 1962. Its imports from these countries, however, declined sharply from LS 94 million in 1960 to LS 67 million in 1961, and then rose to a high level of LS 106 million in 1962. Consequently, the trade deficit with these countries first declined from LS 52 million in 1960 to LS 23 million in 1961, then rose sharply to LS 77 million in 1962.

Terms of trade

The terms of trade of most of the countries under consideration showed some improvement between 1960 and 1962 relative to 1957. However, there were considerable fluctuations in these terms for all countries since 1957, with declining trends between 1957 and 1960 for Iraq and Syria and rising trends for Jordan and Lebanon. 16/

16/ See appendix tables IV-3, IV-6, IV-9, IV-14 and IV-19.

Iraq's terms of trade (see table 4-10) deteriorated considerably in 1959, 17/ mainly due to the fall in the prices of crude oil, and remained at that low level in the succeeding two years. Had it not been for the decline in some of the import unit values, Iraq's terms of trade would have deteriorated further. It was only in 1962 that Iraq's terms of trade rose to a level slightly higher than that of 1957.

Syria's terms of trade fluctuated considerably between 1957 and 1962, with a downward trend until 1960 when they began to rise again. While, up to 1960, both the export and the import unit values remained below the 1957 levels, the rate of decline was relatively higher in the export unit values than in the import unit values. Syria's exports of raw materials seem to have suffered from falling international prices between 1957 and 1960. This unfavourable phenomenon was especially evident in the case of cotton lint. In 1961 and 1962, however, Syria's terms of trade improved again to levels higher than that of 1957.

Table 4-10. Indices of Export and Import Unit Values and the Terms of Trade, 1960-1962 (1957 = 100)

Item	Iraq ^{a/}			Israel			Jordan			Lebanon			Syria		
	1960	1961	1962	1960	1961	1962	1960	1961	1962	1960	1961	1962	1960	1961	1962
Export Unit Value.	89	88	92	86	87	86	91	89	98	102	101	110	92	96	106
Import Unit Value.	96	94	90	87	84	82	83	78	89	85	78	86	99	94	99
Terms of Trade.	93	94	102	99	104	105	110	114	110	120	129	128	93	102	107

Source: See appendix tables IV-3, IV-6, IV-9, IV-14 and IV-19.

a/ Including oil.

Balance of trade and payments

Practically every country under consideration has had a large trade deficit and at least three of them have also had large payments deficits on current account (see table 4-11). Only in Iraq and, to a less extent, Syria, did the payments deficit on current account not constitute as serious a problem as that of Israel, Jordan and Lebanon.

17/ See appendix table IV-3.

Table 4-11. Trade and Payments Deficits, 1957-1962 Averages
(Millions of indicated currency units)

Country and currency	Merchandise trade deficit	Payments deficit on current account
Iraq (Iraqi dinars)	-105.9	-3.7
Israel (dollars)	-254.9	-366.5
Jordan (Jordanian dinars)	-33.7	-30.3
Lebanon (Lebanese pounds)	-672.1	-292.1
Syria (dollars)	-67.2	-39.2

Source: See appendix table IV-20.

Iraq's merchandise trade (excluding oil) showed a large deficit of ID 128.9 million in 1961. Earnings of foreign exchange from the oil sector covered roughly 91 per cent of this deficit and reduced the current payments deficit to about ID 15.4 million (see table 4-12).

Table 4-12. Balances of Trade and Payments, Selected Countries, 1960-1963

Country and item	1960	1961	1962	1963
<u>Iraq^{a/}</u> (millions of Iraqi dinars)				
Merchandise balance (excluding oil)	-118.5	-128.9	-108.8	-100.0
Payments position on current account.	-7.1	-15.4	15.1	33.0
Official and private transfers	-3.4	-2.2	-2.7	-0.2
<u>Israel</u> (millions of dollars)				
Merchandise balance	-232.2	-282.7	-277.9	-
Payments position on current account.	-336.7	-431.8	-447.0	-
Official and private transfers.	311.1	346.3	334.0	-
<u>Jordan</u> (millions of Jordanian dinars)				
Merchandise balance	-37.5	-35.7	-37.6	-43.7
Payments position on current account.	-35.1	-30.8	-33.1	-32.8
Official and private transfers.	33.1	31.5	30.2	22.9
<u>Lebanon</u> (millions of Lebanese pounds)				
Merchandise balance	-776.0	-870.1	-	-
Payments position on current account.	-310.0	-280.1	-	-
Official and private transfers.	105.0	110.0	-	-
<u>Syria</u> (millions of dollars)				
Merchandise balance	-99.6	-88.0	-66.6 ^{b/}	-40.1 ^{b/}
Payments position on current account.	-73.6	-65.5	-1.4 ^{b/c/}	4.2 ^{b/c/}
Official and private transfers	44.3	43.4	6.3 ^{b/c/}	10.2 ^{b/c/}

Source: See appendix table IV-20.

a/ Crude oil exports are excluded from merchandise trade, but foreign exchange earnings from the oil sector are included in the current payments deficit.

b/ Provisional.

c/ The sharp fall in these items was due to the shift in the recording system of oil transit revenues from "official and private transfers" to "services".

In 1962 and 1963 a major improvement in Iraq's payments position resulted from both the reduction in its trade gap and the increase in its oil revenues. In both these years, revenue from oil more than covered the deficit arising out of merchandise trade.

Israel's merchandise trade deficit, which continued to be large, increased from \$232.2 million in 1960 to \$282.7 and \$277.9 million in 1961 and 1962, respectively. When services are also included, its payments deficit on current account amounted to as much as \$336.7 million in 1960, \$431.8 million in 1961 and \$447.0 million in 1962. Official and private transfers in the 1960-1962 period covered, on the average, about 82 per cent of the payments deficit on current account; 18/ the rest was financed by the net inflow of private and official capital. Israel's total net receipts from donations and foreign loans in 1961 and 1962 exceeded the deficit on current account and resulted in substantial increases in its gold and foreign exchange holdings. 19/

Jordan's merchandise trade deficit of JD 37.5 million in 1960 continued to deteriorate in the succeeding three years, reaching JD 43 million in 1963. 20/ Its net foreign exchange earnings from services, which covered only 12 per cent of its merchandise deficit in 1962, showed a remarkable increase in 1963, rising from JD 4.5 million in 1962 to JD 10.9 million 21/ and covering roughly 25 per cent of the deficit on merchandise trade. While earnings from services contributed appreciably towards improving its trade balance, Jordan's payments deficit on current account in 1963 remained as high as JD 32.8 million. This deficit was mostly covered by private and official transfers 22/ and by net inflow of capital.

18/ Private receipts were mostly personal restitutions from the Federal Republic of Germany (in cash and kind) and personal and institutional remittances (including immigrants' capital transfers). Central government receipts were mostly reparations from the Federal Republic of Germany and United States economic assistance.

19/ Israel's official holdings of gold and foreign exchange rose from \$209 million in 1960 to \$276 million in 1961 and \$419 million in 1962.

20/ An exception to this took place in 1961 when there was a relatively minor improvement of about JD 1.8 million in the trade deficit.

21/ This rise is accounted for by increased receipts of foreign exchange from tourism, investment income and oil transport (Tapline).

22/ Details of official and private transfers in the 1957-1962 period were as shown below (figures are net, in millions of Jordanian dinars):

<u>Item</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>
Total	21.09	23.91	31.30	33.12	31.53	30.18
Private	4.85	0.77 ^{a/}	6.16	7.63	6.97	7.94
Central Government <u>b/</u>	16.24	23.14	25.14	25.49	24.56	22.24
Arab League	3.51	1.50	-	-	-	-
United Kingdom Government	1.10	0.57	2.42	2.00	2.36	1.50
United States Government	6.73	16.32	17.32	18.20	17.05	15.48
UNRWA	4.90	4.75	5.40	5.29	5.15	5.26

a/ Personal and institutional remittances are not included.

b/ Excluding revenue from oil transit.

Lebanon's trade figures show that the deficit on merchandise trade, which amounted to LL 776 million in 1960, deteriorated by about 12 per cent in 1961. Earnings from services (LL 590 million in 1961) reduced the trade gap by 68 per cent. Net private transfers (mostly emigrants' remittances), which have always been an important contributing factor to the reduction in the current payments deficit, remained fairly stable at an estimated annual average of about LL 85 million. In 1961, these remittances helped to reduce Lebanon's payments deficit on current account by about 30 per cent. The rest was more than covered by the net inflow of private, official and banking capital, and, to a much less extent, by official transfers. This resulted in a favourable over-all payments position and led to an appreciable accumulation of foreign assets and monetary gold which increased from \$137 million in 1960 to \$159 million in 1961 and \$204 million in 1962.

Syria's deficit on merchandise trade showed a generally improving trend in the period from 1960 to 1963; it fell consistently from \$99.6 million in 1960 to \$40.1 million in 1963. Average net receipts from "services" for the period 1961-1963 (including revenue from oil transit) accounted for about 68 per cent of the trade deficit, the situation further improving in the last two years of the period when almost all the trade deficit was covered by earnings from that sector. In fact, a small surplus was discernible in Syria's payments on current account in 1963 through an additional rise in agricultural production following the drought years.

Net receipts from government transfers, which until 1961 had included payments by foreign oil companies and budget support by the United Arab Republic (Egypt), contributed to the offsetting of the deficit on current account. The large positive entry in 1961 of about \$52 million under the "official and banking capital account" (see appendix table IV-20) reflected mainly transactions under Public Law 480 and represented imports of grain which were rendered necessary by the domestic shortage of cereals. The current payments deficit in 1961, however, remained large, mainly on account of the outflow of private capital - possibly a consequence of the restrictive measures taken in that year. This deteriorating situation forced a reconsideration of Syria's economic policies with a view mainly to eliminating the payments deficit. In addition to the measures taken for the gradual abolition of exchange restrictions, and the devaluation, in July 1962, of the Syrian pound by about 6.6 per cent, a stand-by arrangement was reached with the International Monetary Fund. At the same time, stabilization credits were established with the United States, the Federal Republic of Germany and a number of commercial banks in Italy. Although the economic situation in 1962 improved primarily because of the appreciable rise in exports of agricultural products, the introduction of the supporting measures have undoubtedly had their favourable impact on Syria's payments position.

STATISTICAL APPENDIX

Table I-1. Acreage of Principal Crops, by Country
(thousands of hectares)

Crop and country	Annual average 1948/49-1952/53	1957/58	1958/59	1959/60	1960/61	1961/62	1962/63	1963/64 ^{a/}
<u>Wheat</u>								
Iraq.....	936 ^{b/}	1,456	1,533	1,490	1,271	1,346	1,591	1,705
Israel.....	34 ^{b/}	57	59	62	59	63	48	52
Jordan.....	182	280	...	170	100	225	224	...
Lebanon.....	70	70 ^{c/}	60	66	54	69	69	55
Saudi Arabia....	18 ^{c/d/}	45 ^{c/}	...	...	...	...	...	...
Syria.....	994	1,495	1,461	1,422	1,550	1,315	1,417	...
<u>Barley</u>								
Iraq.....	934 ^{b/}	1,240	1,157	1,091	1,038	1,041	1,189	1,219
Israel.....	52 ^{b/}	52	58	57	60	70	65	65
Jordan.....	62	95	75	50	34	80	91	...
Lebanon.....	20 ^{d/}	21	18	20	12	13	13	10
Saudi Arabia....	15 ^{d/}	...	...	...	...	...	...	...
Syria.....	369	813	769	727	742	727	723	...
<u>Maize</u>								
Iraq.....	20 ^{b/}	6	6	4	5	3	3	3
Israel.....	8 ^{b/}	8	6	3	2	2	2	1
Lebanon.....	7 ^{d/}	10	8	10	6	6	7	6
Saudi Arabia....	15 ^{d/}	...	...	...	...	...	...	...
Syria.....	24	10	8	9	7	10	8	...
<u>Oats</u>								
Israel.....	2 ^{b/}	1	1	1	1	1	1	...
Lebanon.....	1	1	...	...	...	...	...	...
Syria.....	8	6	5	5	3	3	3	...
<u>Millet</u>								
Iraq.....	10	10	6	5	5	6	5	5
Syria ^{e/}	93	70	57	58	50	60	69	...
<u>Sorghum</u>								
Iraq.....	...	11	8	8	7	7	5	6
Israel ^{f/}	6 ^{b/}	23	17	23	6	19	16	12
Jordan ^{f/}	22 ^{b/}	3	10	12	11	5	6	...
Lebanon.....	10 ^{b/}	5	4	3	2	2	1	1
<u>Rice</u>								
Iraq.....	174 ^{d/}	66	89	59	76	64	84	108
Saudi Arabia....	2 ^{d/}	...	...	...	...	...	...	...
Syria.....	4	1	-	1	-	-	-	...

(Table continued on following page)

Table I-1 (continued)

Crop and country	Annual average 1948/49-1952/53	1957/58	1958/59	1959/60	1960/61	1961/62	1962/63	1963/64 ^{a/}
<u>Pulses^{g/}</u>								
Iraq.....	42	43	38	36	33	38	36	33
Israel.....	6	6	6	5	4	3	3	3
Jordan.....	25	36	34	30	22	22	27	22
Lebanon.....	9	9	8	8	7	8	7	6
Syria.....	108	137	169	126	78	93	133	...
<u>Cotton lint</u>								
Iraq.....	29 ^{c/}	65	56	37	31	37	34	...
Israel.....	...	5	6	7	11	17	17	12
Syria.....	107	258	261	227	212	249	302	292
<u>Sugar-beets</u>								
Israel.....	1 ^{h/}	2	2	3	4	6	5	5
Syria.....	1 ^{h/}	3	2	5	5	4	4	...
<u>Tobacco</u>								
Iraq.....	4	8	8	10	13	12	13 ^{a/c/}	...
Israel.....	4 ^{h/}	3 ^{c/}	4 ^{c/}	5	4	4	4	1 ^{c/}
Jordan.....	2 ^{h/}	4 ^{c/}	2 ^{c/}	3	3	5	3	...
Lebanon.....	2 ^{c/}	3	4	4	4	4	4	...
Syria.....	7	7	7	9	10	9	10	...
<u>Oil-seeds^{i/}</u>								
Iraq.....	59	99	87	55	49	56	56	...
Israel.....	4	16	15	18	23	30	26	21
Jordan.....	55	10	8	6	4	5	4	...
Lebanon.....	6	4	2	2	2	2	2	...
Syria.....	121	268	273	242	221	258	302 ^{j/}	...
<u>Grapes</u>								
Israel.....	7 ^{h/}	11	11	12	12	12	12	12
Jordan.....	11	16	18	19	19	21	21	...
Lebanon.....	21	22	22	23	23	24	24	25
Syria.....	67	69	71	68	66	70	...	...
<u>Potatoes</u>								
Iraq.....	2 ^{d/}	...	...	...	...	...	...	...
Israel.....	2 ^{b/}	5	5	4	4	4	5	5
Jordan.....	...	1	2	2	2	2	1	...
Lebanon.....	5	5	5	5	4	6	6	6
Syria.....	4	3	2	2	3	2	3	...
<u>Onions^{k/}</u>								
Iraq.....	...	...	...	10 ^{c/}	12	12	14	...
Israel.....	1 ^{d/}	2	2	2	2	1	2	2
Jordan ^{l/}	2 ^{m/}	3	3	4	3	4	3	...
Lebanon.....	3 ^{d/}	2	2	2	2	2	2	2
Syria.....	4	3	3	4	3	3	...	...

Table I-1 (continued)

Crop and country	Annual average		1957/58	1958/59	1959/60	1960/61	1961/62	1962/63	1963/64 ^{a/}
	1948/49-1952/53								
<u>Tomatoes</u>									
Israel	3 ^{d/}		4	4	4	3	3	3	3
Jordan	7 ^{d/}		11	10	13	13	18	17	...
Lebanon	1 ^{d/}		2	2	2	2	2	2	2
Syria	7		11	10	11	8	10	...	...

Source: Food and Agriculture Organization of the United Nations, Production Yearbook 1960 and 1962, Monthly Bulletin of Agricultural Economics and Statistics (Rome), July to December 1963; Iraq: Ministry of Planning, Central Bureau of Statistics, Statistical Abstract, 1962 (Baghdad); Syria: Ministry of Planning, Statistical Abstract, 1962 (Damascus).

a/ Preliminary.

b/ Average of four years.

c/ Unofficial figures.

d/ Average of two years.

e/ Millet and sorghum.

f/ Including maize.

g/ Dry beans, dry peas, broad beans, chick-peas and lentils.

h/ Average of three years.

i/ Soya beans, ground-nuts, cottonseed, linseed, sesame seed, sun-flower seed and rape-seed.

j/ Cottonseed only.

k/ Green and dry onions.

l/ Including garlic.

m/ 1952.

Table I-2. Numbers of Tractors used in Agriculture, by Country

Country	1956	1957	1958	1959	1960	1961	1962	1963
Iraq.....	2,096	2,188	2,404	...	...	...	...	...
Israel.....	4,500	4,700	5,307	6,349	7,075	7,485	8,508	9,300
Jordan ^{a/}	439	566	664	807	883	1,089	1,334	...
Lebanon.....	195	224	440	580	...	...	...	...
Syria ^{b/}	2,074	2,792	3,406	3,772	4,754	4,314	...	...

Source: Food and Agriculture Organization of the United Nations, Jordan: Ministry of National Economy, Department of Statistics, Statistical Yearbook, 1962 (Amman).

a/ Including those in disrepair.

b/ Tractors used for all purposes.

Table I-3. Consumption of Fertilizers, by Country^{a/}
(Thousands of tons of plant nutrients)

Type of fertilizer and country	1957/58	1958/59	1959/60	1960/61	1961/62	1962/63
<u>Nitrogenous (N)</u>						
Israel ^{b/}	14.8	15.7	17.3	18.8	21.3	19.3
Jordan.....	0.7	...	0.4	0.2	0.4	0.6
Lebanon.....	5.6	6.2	5.7	6.9	7.9	6.2
Syria.....	3.6	3.6	4.4	10.8	...	...
<u>Phosphoric acid (P₂O₅)</u>						
Israel ^{b/}	14.6	14.4	14.4	12.1	12.7	11.6
Jordan.....	...	...	0.5	1.2	0.7	1.5
Lebanon.....	6.9	2.5	2.0	4.2	4.6	12.7
Syria.....	0.8	1.1	1.4	8.1	...	...
<u>Potash (K₂O)</u>						
Israel ^{b/}	2.7	2.0	2.1	2.2	2.3	2.3
Jordan.....	...	...	0.6	1.0	0.8	0.4
Lebanon.....	6.9	3.4	1.7	2.8	3.0	2.0
Syria.....	0.5	0.4	0.1	0.5	...	...

Source: Food and Agriculture Organization of the United Nations.

a/ Fertilizer year beginning 1 July and ending 30 June, except for Jordan.

b/ Calendar year ending in the first half of the period stated.

Table I-4. Production of Principal Crops, by Country
(Thousands of tons)

Crop and country	Annual average 1948/49-1952/53	1957/58	1958/59	1959/60	1960/61	1961/62	1962/63	1963/64 ^{a/}
<u>Wheat</u>								
Iraq.....	448 _{b/}	1,118	757	659	592	857	1,085	466
Israel.....	24 _{b/}	83	62	74	41	66	52	54
Jordan.....	127	220	66	103	44	138	112	...
Lebanon.....	51	65 _{c/}	48	58	40	68	75	60
Saudi Arabia....	15 _{c/d/}	44 _{c/}	...	...	...	...	...	...
Syria.....	762	1,354	562	632	555	757	1,374	1,084
<u>Barley</u>								
Iraq.....	722 _{b/}	1,305	954	733	804	911	1,125	790
Israel.....	44 _{b/}	74	53	65	27	62	48	36
Jordan.....	52	81	17	26	13	62	36	...
Lebanon.....	25	24	18	24	11	12	14	10
Saudi Arabia....	13 _{d/}	...	...	...	...	...	...	...
Syria.....	321	721	228	218	156	335	798	806
<u>Maize</u>								
Iraq.....	14	5	5	2	3	2	2	2
Israel.....	7	38	28	15	8	8	8	6
Lebanon.....	12 _{a/}	17	14	19	13	12	15	12
Saudi Arabia....	21 _{a/}	...	...	...	...	...	...	...
Syria.....	31	15	10	12	9	10	7	...
<u>Oats</u>								
Israel.....	2	1	1	1	1	1	1	1
Lebanon.....	2	2	...	...	...	...	...	...
Syria.....	6	7	7	4	3	3	3	...
<u>Millet</u>								
Iraq.....	13	7	4	4	3	3	3	4
Syria.....	65	52	50	42	29	38	56	...
<u>Sorghum</u>								
Iraq.....	...	15	9	8	7	5	...	5
Israel.....	4 _{b/}	38	34	41	16	34	43	40
Jordan.....	15 _{b/}	11	6	7	3	8	5	...
Lebanon.....	10 _{b/}	5	4	3	2	2	1	1

(Table continued on following page)

Table I-4 (continued)

Crop and country	Annual average 1948/49-1952/53	1957/58	1958/59	1959/60	1960/61	1961/62	1962/63	1963/64 ^{a/}
<u>Rice (paddy)</u>								
Iraq.....	203 ^{d/}	147	137	88	118	68	113	143
Saudi Arabia..	2 ^{d/}	3	4	4	4	...	...	...
Syria.....	13	2	1	2	-	1	1	...
<u>Pulses</u>								
Iraq.....	26	34	22	27	25	32	33	...
Israel.....	1	3	3	3	1	2	1	2
Jordan.....	13	20	8	10	6	12	18	9
Lebanon.....	13	15	13	12	9	7	9	7
Syria.....	79	100	51	47	22	57	108	...
<u>Cotton Lint</u>								
Iraq.....	4 ^{c/}	14	12	8	8	9	8	...
Israel.....	-	4	5	7	11	14	16	14
Syria.....	30	107	97	98	111	127	150	150
<u>Sugar-beets</u>								
Israel.....	... ^{g/}	59	94	122	169	245	221	250
Syria.....	20 ^{g/}	61	32	92	122	86	81	...
<u>Sugar-cane</u>								
Lebanon.....	6	8	8	3	3	3	3	...
Syria.....	3	2	2	2	2	3	2	...
<u>Tobacco</u>								
Iraq.....	3	5	5	11	12	8	9 ^{a/c/}	...
Israel.....	2 ^{c/}	2	2	2	2	2	2	0.2
Lebanon.....	2 ^{c/}	3	3	3	4	4	...	...
Syria.....	6	6	7	8	6	7	7	...
<u>Olives</u>								
Iraq.....	... ^{h/}	10	10	9	9	...	...	...
Israel.....	6 ^{b/}	7	20	7	21	25	18	...
Jordan.....	23 ^{b/}	15	52	11	17	11	7	...
Lebanon.....	37 ^{b/}	13	42	18	30	65	16	65
Syria.....	61 ^{i/}	38	65	28	53	83	87	...
<u>Dates</u>								
Iraq ^{i/}	313 ^{d/}	323	324 ^{c/}	367 ^{c/}	337 ^{c/}	271 ^{c/}	315 ^{a/c/}	...
Saudi Arabia..	182 ^{d/}	200	...	...	...	...	...	...
<u>Citrus fruits</u>								
Israel.....	302	436	588	609	516	531	726	...
Jordan.....	1	...	...	6	7	16	16	...
Lebanon.....	75	116	131	160	155	202	203	227
Syria.....	4	4	5	6	12	5	6	...

(Table continued on following page)

Table I-4 (continued)

Crop and country	Annual average 1948/49-1952/53	1957/58	1958/59	1959/60	1960/61	1961/62	1962/63	1963/64 ^{a/}
<u>Raisins</u>								
Israel.....	1.0 ^{c/}	...	0.2	0.4	0.2	0.4	0.4	0.4
Jordan.....	...	0.6	1.2	...	0.3	0.5	0.8 ^{a/}	...
Lebanon.....	0.9 ^{g/}	1.8	1.7	0.4	0.4	0.4	0.4 ^{a/}	...
Syria.....	7.6 ^{c/}	12.7	9.8	10.3	...	11.4	...	...
<u>Figs (fresh basis)</u>								
Israel ^{k/}	6 ^{d/}	10	12	12	14	16	16	15
Jordan.....	16 ^{d/}	15	14	21	18	21	21	...
Lebanon.....	13	20	18	17	14	21	25	...
Syria.....	42	51	49	40	28	27	55	...
<u>Olive oil</u>								
Israel.....	1 ^{b/}	1 ^{c/}	4 ^{c/}	2 ^{c/}	2	-	3	...
Jordan.....	1 ^{b/}	4 ^{c/}	2 ^{c/}	2	3	2	1	7 ^{c/}
Lebanon.....	12 ^{b/c/}	1	10	3	6	9 ^{c/}	2 ^{a/}	...
Syria.....	9 ^{i/}	7	15	6	10	18	17	14
<u>Oil-seeds^{l/}</u>								
Iraq.....	18	47	33	26	26	26	27	...
Israel.....	4	29	24	30	38	42	41	36
Jordan.....	2	4	2	3	2	2	2	...
Lebanon.....	4	3	2	3	2	2	4	...
Syria.....	71	191	174	181	192	223	281	...
<u>Grapes</u>								
Israel.....	15	44	48	58	53	63	72 ^{a/}	60
Jordan.....	27	47	43	54	43	78	79 ^{a/}	...
Lebanon.....	81	75	80	85	70	90	85	90
Syria.....	172	241	198	218	198	243	254	...
<u>Apples</u>								
Israel.....	2 ^{b/}	4	6	9	23	30	42	44
Jordan.....	2 ^{d/}	2	1	2	1	3	4	...
Lebanon.....	14	37	43	65	53	85	80	70
Syria.....	6	11	8	8	9	10	22	...
<u>Pears</u>								
Israel.....	...	...	...	-	2	2	5	6
Lebanon.....	6	6	5	6	3	9	4	4
Syria.....	2	3	2	2	1	2	7	...
<u>Apricots</u>								
Israel.....	...	...	...	-	1	1	1	2
Jordan.....	...	1	2	2	2	3	2	...
Lebanon.....	6 ^{d/}	5	4	6	4	6	4	...
Syria.....	21	24	29	26	17	18	43	...

(Table continued on following page)

Table I-4 (continued)

Crop and Country	Annual Average 1948/49-1952/53	1957/58	1958/59	1959/60	1960/61	1961/62	1962/63	1963/64 ^{a/}
<u>Bananas</u>								
Israel.....	6 ^{d/}	20	28	32	34	44	49	51
Jordan.....	5 ^{d/}	8	13	14	7	14	17	...
Lebanon.....	16	28	28	21	26	26	25	...
<u>Potatoes</u>								
Iraq.....	12 ^{d/}	...	...	...	...	...	...	...
Israel.....	35 ^{b/}	93	98	88	82	85	111	108
Jordan.....	...	12	14	16	17	14	11	...
Lebanon.....	43	40	38	45	29	50	60	70
Syria.....	31	32	21	14	28	30	34	...
<u>Onions^{m/}</u>								
Iraq.....	...	...	...	60 ^{c/}	63	65	83	...
Israel.....	8 ^{d/}	19	24	23	28	31	31	35
Jordan ^{n/}	10 ^{o/}	13	14	26	25	22	18	...
Lebanon.....	38 ^{d/}	35	36	33	23	35	41 ^{a/}	...
Syria.....	41	35	32	28	32	38	39	...
<u>Tomatoes</u>								
Israel.....	41 ^{d/}	81	104	103	110	94	89	100
Jordan.....	17 ^{d/}	65	74	126	156	214	169	...
Lebanon.....	26 ^{d/}	25	28	31	25	30	32	34
Syria.....	60	96	71	98	75	93	117	...
<u>Coffee</u>								
Yemen.....	4.7 ^{d/}	...	...	...	5.4 ^{c/}	5.4 ^{c/}	4.2 ^{c/}	...

Source: United Nations, Economic Developments in the Middle East, 1959-1961 (Sales No.: 62.II.C.s); Food and Agriculture Organization of the United Nations, Production Yearbook, 1962: Monthly Bulletin of Agricultural Economics and Statistics, July-December 1963; Iraq: Ministry of Planning, Central Bureau of Statistics, Statistical Abstract, 1962; Jordan: Ministry of National Economy, Department of Statistics, Statistical Yearbook, 1962; Syria: Ministry of Planning, Statistical Abstract, 1962.

- a/ Preliminary.
b/ Average of four years.
c/ Unofficial figures.
d/ Average of two years.
e/ Millet and Sorghum.
f/ Including maize.
g/ Average of three years.
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/ Oranges, tangerines and clementines only.
k/ Including dates, avocados and other fruits.
l/ Soya beans, ground-nuts, cottonseed, linseed, sesame seed and sunflower seed.
m/ Green and dry onions.
n/ Including garlic.
o/ 1952/53.

Table I-5. Animals and Animal Products, by Country

Country and item	1950	1958	1959	1960	1961	1962	1963
<u>Iraq</u>							
Livestock <u>a/b/</u>.....	...	16,691	16,806	17,040	17,030	17,020	...
Meat <u>c/d/</u>	45	...	82	87	85	...	...
Milk <u>c/</u> .....	...	...	899	899	...	...	...
Cheese <u>c/</u> .....	...	17	...	...	...	...	...
Wool <u>c/e/</u>	14	14	14	13	13	13	...
Hen eggs <u>f/</u>	158	...	...	...	...	...	...
Poultry (chickens) <u>g/h/</u>	2,000 ^{1/}	3,236	3,436	...	...	...	...
Hides and skins <u>g/j/</u>	...	...	2,600	2,690	2,728	...	...
Cattle .....	...	...	232	240	234	...	...
Sheep .....	...	...	1,758	1,905	1,886	...	...
Goats .....	...	...	610	545	608	...	...
<u>Israel</u>							
Livestock <u>a/</u>	255	611	647	619	636	659	...
Meat <u>c/d/k/</u>	1	7	12	15	16	19	...
Milk <u>c/</u>	112	266	311	327	337	370	370
Butter <u>c/</u> .....	...	2	3	3	3	3	3
Cheese <u>c/</u> .....	...	16	15	15	16	18	19
Beehives <u>g/h/</u>	28	44	46	48	50	52	...
Hen eggs <u>f/k/</u>	330	886	982	1,114	1,290	1,273	...
Poultry <u>g/h/</u>	4,790	7,600	8,800	...	...	...	...
Chickens	4,750	7,200	8,200	...	...	...	...
Other	40	400	600	800	900	950	...
<u>Jordan</u>							
Livestock <u>a/b/</u>.....	...	1,385	1,290	1,282	1,128	...	...
Meat <u>c/d/</u>.....	...	...	7	7	7	12	...
Milk <u>c/</u> .....	...	...	...	...	39	34	...
Poultry <u>g/h/</u>.....	...	1,126	1,318	1,414	...	...	...
Chickens .....	...	1,099	1,294	1,400	...	...	...
Other .....	...	27	24	14	25	...	...

(Table continued on following page)

Table I-5 (continued)

Country and item	1950	1958	1959	1960	1961	1962	1963
<u>Lebanon</u>							
Livestock <u>a/</u>	517 ^{e/}	669	682	632	583	671	...
Meat <u>c/</u> .....	...	22	23	...	...	...	...
Milk <u>c/</u> .....	...	5	...	...	...	...	...
Beehives <u>g/h/</u>.....	...	16	...	...	...	...	...
Hen eggs <u>f/</u> .....	...	50	57	57	70	98	...
Poultry <u>g/h/</u>.....	...	2,000	3,500	...	6,604	10,500	...
<u>Syria</u>							
Livestock <u>a/</u>	5,016	8,621	6,925	5,040	5,028	...	...
Meat <u>c/d/</u>	29	25	40	...	...	...	...
Milk <u>c/</u>	349	...	...	...	...	...	...
Cheese <u>c/</u> .....	...	11	7	...	...	...	...
Butter <u>c/</u>	6	6	4	...	...	...	...
Beehives <u>g/h/</u>	53	74	69	57	54	...	...
Hen eggs <u>f/</u>	91	138	105	147	168	...	...
Poultry <u>g/h/</u>	2,681	3,190	3,504	3,099	3,619	...	...
Chickens.....	2,483	2,821	3,107	2,860	3,356	...	...
Other	198	369	397	239	263	...	...
Hides and skins <u>g/j/</u> .	...	1,237	1,261	...	...	...	...
Cattle .....	...	16	19	...	...	...	...
Calf .....	...	8	7	...	...	...	...
Sheep .....	...	1,085	1,072	...	...	...	...
Goat .....	...	128	163	...	...	...	...
Wool <u>c/</u>	8	10	11	8	6	...	...

Source: United Nations, Economic Developments in the Middle East, 1959-1961; Food and Agriculture Organization of the United Nations, Production Yearbook, 1962; Monthly Bulletin of Agricultural Economics and Statistics, July-December 1963.

- a/ Thousands of head; data refer to agricultural years starting in the year shown.
b/ Animals registered for taxation.
c/ Thousands of tons.
d/ Beef, veal, mutton and lamb.
e/ Unofficial estimates.
f/ Millions.
g/ Thousands.
h/ For poultry, and beehives the statistical year is from October to September, starting in the year shown.
i/ 1948/49.
j/ Raw and fresh.
k/ Year ending 30 September.

Table II-1. Output of Electricity, Mining and Manufacturing Industries,
Major Producing Countries

(Thousands of tons, except as indicated)

Product and country	1958	1959	1960	1961	1962
<u>Electricity</u> (millions of kWh)					
Iraq ^{a/}	626	736	852	940	...
Israel.....	1,767	1,968	2,313	2,546	2,930
Jordan.....	20	20	20	40	...
Kuwait ^{a/}	170	204	240	250	...
Lebanon.....	297	310	350	380	...
Saudi Arabia ^{a/}	180	200	220	240	...
Syria.....	293	346	368	430	502
<u>Iron ore</u> (iron content)					
Lebanon	11	1	4	...	...
<u>Natural asphalt</u>					
Syria	29	21	21	28	11
<u>Phosphates</u>					
Israel ^{b/}	210	205	224	226	...
Jordan ^{c/}	294	338	362	423	681
<u>Superphosphates</u>					
Israel	98	94	82	85	80
<u>Nitrogenous fertilizers</u> (nitrogen content)					
Israel ^{c/}	14	16	20	16	...
<u>Sulphuric acid</u>					
Israel	98	94	82	85	80
<u>Cement</u>					
Iraq ^{d/}	669	661	487	883 ^{e/}	...
Israel	713	781	806	846	954
Jordan	114	110	165	223	235
Lebanon	506	744	854	874	861
Syria	408	447	489	541	607
<u>Sugar</u> ^{f/}					
Iraq	-	-	24	33	...
Israel	11	16	24	32	...
Lebanon	-	2	2	5	...
Syria	4	13	12	12	...

(Table continued on following page)

Table II-1 (continued)

Product and country	1958	1959	1960	1961	1962
<u>Beer</u> (thousands of hectolitres)					
Iraq ^{d/}	32	44	51	44 ^{e/}	...
Israel.....	169	177	208	206	228
Jordan.....	1	4	7	7	7
Lebanon.....	31	33	41	45	...
Syria.....	15	15	18	19	24
<u>Alcohol</u> (thousands of hectolitres)					
Iraq ^{d/}	4	3	5	7 ^{e/}	...
Jordan.....	4	4	3	4	3
Syria ^{g/}	18	15	13	7	...
<u>Wine</u> (thousands of hectolitres)					
Iraq ^{d/}	2	3	3	2 ^{e/}	...
Israel.....	156	206	158	238	277
Jordan.....	2	1	2	2	2
Syria.....	2	2	1	2	2
<u>Arak</u> (thousands of hectolitres)					
Iraq ^{d/}	22	25	27	25	...
Israel.....	9	9	9	9	10
Jordan.....	3	2	2	1	1
Syria.....	3	2	2	3	4
<u>Cigarettes</u> (millions)					
Iraq ^{h/}	3,533	4,223	4,918	4,441	...
Israel (tons).....	2,270	2,438	2,563	2,555	2,661
Jordan (tons).....	737	861	946	956	1,020
Lebanon.....	1,040	...	...	...	...
Syria.....	1,905	9,070	2,241	2,462	2,444
<u>Tobacco</u> (tons)					
Iraq.....	5,228	11,175	12,013	7,687	...
Israel.....	81	83	84	84	91
Jordan.....	35	43	47	46	49
Lebanon.....	379	...	...	...	...
Syria.....	1,004	1,161	1,265	1,506	1,548
<u>Cotton yarn</u>					
Israel.....	9	9	10	14	16
Lebanon.....	...	4	...	...	...
Syria.....	9	10	10	10	15
<u>Cotton fibre</u>					
Israel ^{i/}	7	7	7	7	9
Syria ^{j/}	22	23	25	26	27

(Table continued on following page)

Table II-1 (continued)

Product and country	1958	1959	1960	1961	1962
<u>Paper and cardboard</u>					
Israel	22	23	31	38	40
<u>Rubber tires (thousands)</u>					
Israel	248	308	407	387	430

Source: United Nations, Economic Developments in the Middle East, 1959-1961; Statistical Yearbook, 1962 (Sales No.: 63.XVII.1); Monthly Bulletin of Statistics, February, 1964; Iraq: Ministry of Planning, Central Bureau of Statistics, Statistical Abstract 1962; Israel: Central Bureau of Statistics, Statistical Abstract of Israel, 1963 (Jerusalem); Jordan: Ministry of National Economy, Department of Statistics, Statistical Yearbook 1962; Syria: Statistical Abstract 1962, and an unpublished report of the Ministry of Planning.

- a/ Including only enterprises generating electricity primarily for public use.
- b/ P₂O₅ content: Israel, 24 to 28 per cent; Jordan, 34 per cent.
- c/ Twelve months beginning 1 July of year stated.
- d/ Twelve months beginning 1 April of year stated.
- e/ Calendar year.
- f/ Production of centrifugal sugar from both beets and cane; figures are expressed in terms of raw sugar.
- g/ Data converted at the rate of one ton = 12.5 hectolitres.
- h/ Data converted at the rate of one gross = 480 cigarettes.
- i/ Pure and mixed woven cotton as well as silk fabrics.

Table III-1. Proven Oil Reserves, by Country

(Millions of barrels)

Country	January 1961			December 1963		
	Proven reserves	Percentage of total	Percentage of world total	Proven reserves	Percentage of total	Percentage of world total
Abu Dhabi .....	...	...	...	7,500	4.4	2.3
Bahrain	250	0.2	0.1	243	0.1	0.1
Iraq	27,000	18.3	9.0	25,500	15.1	7.7
Israel	35	-	-	25	-	-
Kuwait	62,000	41.9	20.6	63,500	37.3	19.2
Neutral Zone ..	6,000	4.0	2.0	10,000	5.9	3.0
Qatar	2,500	1.7	0.8	2,950	1.7	0.9
Saudi Arabia ..	50,000	33.8	16.6	60,000	35.3	18.1
Syria ^{a/}	50	-	-	300	0.2	0.1
Middle East total	147,835	100.0	49.1	170,018	100.0	51.4
World total ...	300,987			331,042		

Source: Oil and Gas Journal (Tulsa, Oklahoma), 30 January 1961 and 30 December 1963.

a/ Figures published by Syria's General Petroleum Authority put recoverable reserves at 212 million tons distributed as follows:

Oilfield	Millions of tons
Suwalidiya	100
Karachuk	45
Khirbah	25
Rumailan	6
Hamzah	6
Other	30

See The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review, Syria, Lebanon, Jordan (London), November 1963.

Table III-2. Labour Force in the Oil Industry,
Selected Countries a/

Country	1958	1959	1960	1961	1962
Iraq <u>b/</u>	12,527	13,436	13,059	12,684	12,083
Kuwait	9,364	...	7,161	6,212	5,753
Saudi Arabia	17,171	16,257	14,834	14,066	13,573

Source: United Nations, Economic Developments in the Middle East, 1959-1961; Iraq: Ministry of Planning, Central Bureau of Statistics, Statistical Abstract for the years 1960 and 1962; Kuwait: Annual Review of the Operations of Kuwait Oil Company, Limited; Saudi Arabia: Report of Operations to the Saudi Arabian Government by the Arabian American Oil Company (Dhahran).

a/ Comprising staff and labourers.

b/ Excluding Khanaqin Oil Company.

Table III-3. Production of Crude Petroleum, by Country, 1960-1963

(Thousands of tons; percentage)

Country	1960	1961	1962	1963	1963 Percentage of total	Percentage change, 1963 over 1960
Abu Dhabi ^{a/}	-	-	808	2,300 ^{b/}	0.9	-
Bahrain	2,257	2,250	2,251	2,250 ^{b/}	0.8	-0.3
Iraq ^{c/}	47,280	48,818	48,984	56,465	21.3	19.4
Israel	129	134	133	150 ^{b/}	0.1	16.3
Kuwait	81,863	82,482	92,177	97,197	36.7	18.7
Neutral Zone ..	7,284	9,800	13,044	16,400	6.2	125.2
Qatar	8,212	8,382	8,808	9,096	3.4	10.8
Saudi Arabia ..	62,065	69,227	75,746	81,087	30.6	30.6
Total, above ..	209,090	221,093	241,951	264,945	100.0	26.7
World total ^{d/} ..	1,052,022	1,119,384	1,214,358	1,304,546 ^{b/}		24.0
Middle East total as per- centage of world total .	19.9	19.8	19.9	20.3		

Source: Petroleum Press Service (London), January 1963 and January 1964; The Economist Intelligence Unit, Ltd., Quarterly Economic Review, Middle East Oil and the Arabian Peninsula (London), January 1964.

a/ Production began in June 1962.

b/ Estimated.

c/ Excluding Naft-Khaneh field, which produces at an average monthly rate of 17,000 tons.

d/ Excluding small production in China (Taiwan), Cuba, Mongolia, New Zealand and Thailand.

Table III-4. World Production of Crude Petroleum, by Region, 1960-1963

(Thousands of tons; percentage)

Region	1960	1961	1962	1963 ^{a/}	1963 Per-centage of world total	Percentage change 1963 over 1960
Middle East ^{b/}	264,994	284,185	312,740	343,900	26.4	29.8
North America ...	372,948	383,165	393,634	409,350	31.4	9.8
Latin America ...	194,171	202,566	220,924	225,720	17.3	16.2
Eastern Europe ^{c/} .	161,749	181,661	202,327	221,730	17.0	37.1
Far East ^{d/}	32,816	33,177	35,274	36,500	2.8	11.2
Western Europe ..	14,920	14,939	15,619	16,545	1.3	10.9
Africa	10,424	19,691	33,840	50,800	3.9	387.3
World total	1,052,042	1,119,384	1,214,358	1,304,545	100.0	24.0

Source: Petroleum Press Service, January 1963 and January 1964.^{a/} Estimated.^{b/} Including all the countries listed in table III-3 plus Iran, Turkey and the United Arab Republic.^{c/} Including the Soviet Union and Yugoslavia.^{d/} Including mainland China.

Table III -5. Output of Major Refinery Products, by Country

(Millions of tons)

Country and year	Motor spirits	Kerosene	Fuel oils ^{a/}	Total
<u>Aden</u>				
1960	0.59	0.34	3.14	4.07
1961	0.79	0.53	3.80	5.12
1962b/.....	0.44	0.66	4.40	5.50
<u>Bahrain</u>				
1960	1.69	1.20	7.25	10.14
1961	1.60	1.24	7.81	10.65
1962b/.....	1.98	1.35	8.08	11.41
<u>Iraq</u>				
1960	0.29	0.31	1.46	2.06
1961	0.32	0.37	1.45	2.14
1962b/.....	0.28	0.39	1.43	2.10
<u>Israel</u>				
1960	0.21	0.18	0.92	1.31
1961	0.20	0.21	1.10	1.51
1962	0.28	0.24	1.46	1.98
<u>Jordan</u>				
1960	-	-	-	-
1961	0.04	0.04	0.11	0.19
1962	0.04	0.05	0.15	0.24
<u>Kuwait</u>				
1960	0.17	0.04	9.37	9.58
1961	0.17	0.05	8.78	9.00
1962b/.....	0.29	0.06	7.86	8.21
<u>Kuwait Neutral Zone</u>				
1960	-	-	1.54 ^{c/}	1.54
1961	-	-	1.77 ^{c/}	1.77
1962b/.....	-	-	3.92 ^{c/}	3.92
<u>Lebanon</u>				
1960	0.11	0.07	0.50	0.68
1961	0.10	0.06	0.52	0.68
1962	0.12	0.10	0.58	0.80
1963	0.16	0.12	0.70	0.98
<u>Qatar</u>				
1960	0.01	-	0.02	0.03
1961	0.01	-	0.02	0.03
1962b/.....	0.01	-	0.01	0.02

(Table continued on following page)

Table III-5 (continued)

Country and year	Motor spirits	Kerosene	Fuel oils ^{a/}	Total
<u>Saudi Arabia</u>				
1960	1.18	1.09	8.36	10.63
1961	1.11	1.18	9.34	11.63
1962 ^{b/}	1.02	1.06	9.52	11.60
<u>Syria</u>				
1960	0.13	0.09	0.45	0.67
1961	0.13	0.09	0.50	0.72
1962	0.12	0.10	0.53	0.75
1963, nine months	0.09	0.08	0.42	0.59
<u>Total, above</u>				
1960	4.38	3.32	33.01	40.71
1961	4.47	3.77	35.20	43.44
1962	4.58	4.01	37.94	46.53
<u>World total^{d/}</u>				
1960	269.54	61.63	472.50	803.67
1961	277.20	66.71	509.75	853.66
1962	289.48	72.98	540.36	902.82
<u>Middle East total</u>				
as percentage of world				
<u>Total^{d/}</u>				
1960	1.6	5.4	7.0	5.1
1961	1.6	5.6	6.9	5.1
1962	1.6	5.5	7.0	5.2

Source: United Nations, World Energy Supplies, 1958-1961 (Sales No.: 63.XVII.4) United States Department of Interior, Bureau of Mines, World Petroleum Statistics, 1962 (Washington, D.C.); Israel, Central Bureau of Statistics, Statistical Abstract of Israel, 1963; Jordan: Ministry of National Economy, Statistical Abstract (Amman), for the years 1961 and 1962; Lebanon: Ministère du Plan, Bulletin statistique trimestriel (Beirut), for the year 1962; Syria: Ministry of Planning, Statistical Abstract, 1962 and General Bulletin of Current Statistics (Damascus), for the first, second and third quarters of 1963.

a/ Distillate and residual fuel oils.

b/ The 1962 figures were given in barrels in the original source; they were converted to metric tons according to the conversion factors given in United Nations, World Weights and Measures (Sales No.: 55.XVII.2).

c/ Residual fuel only.

d/ 1960 and 1961 exclude the Soviet Union, eastern Europe, mainland China, North Korea, North Viet-Nam and Mongolia; 1962 excludes the Soviet Union, eastern Europe and mainland China.

Table III-6. Production, Trade and Consumption of Refined Oil Fuels
(Millions of tons)

Country and year	Production	Net imports	Bunkers	Consumption
<u>World</u>				
1958	829.13	-8.89	67.28	759.33
1959	898.99	-12.36	68.79	814.45
1960	967.50	-14.22	76.88	880.98
1961	1,029.70	-15.53	84.40	928.83
<u>Middle East^{a/}</u>				
1958	30.79	-15.56	8.88	6.55
1959	34.35	-17.75	8.65	8.07
1960	40.78	-21.19	10.36	9.31
1961	43.59	-23.80	10.50	9.43
<u>Aden</u>				
1958	3.65	-0.22	3.47	0.15
1959	3.88	-0.52	3.34	0.17
1960	4.07	-0.35	3.62	0.19
1961	5.13	-1.45	3.58	0.20
<u>Bahrain</u>				
1958	9.37	-8.07	0.78	0.52
1959	9.24	-7.94	0.74	0.56
1960	10.14	-8.71	0.76	0.67
1961	10.65	-9.22	0.68	0.75
<u>Iraq</u>				
1958	1.66	-	0.02	1.63
1959	1.69	-	0.02	1.66
1960	2.06	-	0.02	2.03
1961	2.13	-	0.02	2.11
<u>Israel</u>				
1958	1.11	0.45	0.07	1.49
1959	1.19	0.40	0.07	1.52
1960	1.31	0.50	0.11	1.69
1961	1.51	0.55	0.12	1.94

(Table continued on following page)

Table III-6 (continued)

Country and year	Production	Net imports	Bunkers	Consumption
<u>Jordan</u>				
1958	-	0.15	-	0.15
1959	-	0.20	-	0.20
1960	-	0.22	-	0.22
1961	0.20	0.08	-	0.27
<u>Kuwait</u>				
1958	5.91	-2.73	2.66	0.51
1959	7.70	-3.87	2.62	1.21
1960	9.58	-4.91	3.14	1.52
1961	9.00	-4.64	3.17	1.19
<u>Kuwait Neutral Zone</u>				
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
1961	1.77	-0.94	0.62	0.22
<u>Lebanon</u>				
1958	0.74	-0.05	0.16	0.53
1959	0.71	0.16	0.20	0.68
1960	0.69	0.19	0.16	0.72
1961	0.69	0.23	0.16	0.76
<u>Qatar</u>				
1958	0.02	0.03	-	0.05
1959	0.02	0.03	-	0.06
1960	0.03	0.03	-	0.06
1961	0.03	0.03	-	0.06
1962				
<u>Saudi Arabia</u>				
1958	7.86	-5.48	1.62	0.77
1959	8.23	-5.91	1.50	0.82
1960	10.66	-7.62	2.10	0.94
1961	11.69	-8.55	2.14	1.00
<u>Syria</u>				
1958	-	0.64	-	0.66
1959	0.25	0.58	0.01	0.78
1960	0.70	0.17	0.01	0.88
1961	0.79	0.09	0.01	0.91

(Table continued on following page)

Table III-6 (continued)

Country and year	Production	Net imports	Bunkers	Consumption
<u>Yemen</u>				
1958	-	0.01	-	0.01
1959	-	0.02	-	0.02
1960	-	0.02	-	0.02
1961	-	0.02	-	0.02

Source: United Nations, World Energy Supplies, 1958-1961.

a/ Total of countries listed below.

Table III-7. 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	1958		1959		1960		1961	
	Aggregate	Per capita	Aggregate	Per capita	Aggregate	Per capita	Aggregate	Per capita
Aden	220	1,171	250	1,265	280	1,420	300	1,452
Bahrain.....	790	5,614	840	5,967	1,000	6,680	1,120	7,480
Iraq	2,740	415	2,940	422	3,850	543	4,010	552
Israel.....	2,260	1,128	2,310	1,123	2,590	1,225	3,030	1,388
Jordan.....	230	147	290	183	320	197	410	244
Kuwait.....	770	...	1,810	...	2,280	...	1,790	...
Kuwait Neutral Zone	120	...	590	...	560	...	320	...
Lebanon.....	820	520	1,040	644	1,111	671	1,160	685
Qatar.....	70	1,875	90	2,250	90	1,800	90	1,860
Saudi Arabia	1,150	187	1,220	198	1,410	227	1,500	240
Syria.....	1,000	237	1,180	265	1,320	282	1,370	278
Total, above	10,170		12,560		14,811		15,100	
World total	3,719,330	1,292	3,939,480	1,335	4,237,530	1,404	4,328,970	1,400

Source: United Nations, World Energy Supplies, 1958-1961.

Table III-8. Direction of Crude Petroleum Exports
of Selected Countries
(Thousands of tons)

Region ^{a/} and year	Iraq	Kuwait	Qatar	Saudi Arabia	Total ^{b/}
<u>World</u>					
1960	45,200	77,840 ^{c/}	8,140	50,750	181,930
1961	46,590	81,240 ^{c/}	8,360	56,850	193,040
1962	46,673	82,599	8,830	63,082	129,272
<u>Other Middle East</u>					
1960	1,220	3,220	140	9,930	14,510
1961	1,910	2,060	820	10,550	15,340
1962 <u>b/</u>	1,508	4,255	...	...	5,763
<u>North America</u>					
1960	1,090	10,770	820	6,330	19,010
1961	1,180	10,350	1,060	5,840	18,430
1962 <u>b/</u>	154	5,146	...	...	5,300
<u>Western Europe</u>					
1960	37,280	48,020	4,100	23,240	112,640
1961	38,260	49,750	4,290	22,790	115,090
1962 <u>b/</u>	40,718	52,726	...	...	93,444
<u>Caribbean America</u>					
1960	-	-	-	1,320	1,320
1961	-	-	-	3,670	3,670
1962 <u>b/</u> .....	-	-	...	...	...
<u>Other America</u>					
1960	-	1,620	-	1,180	2,800
1961	50	1,400	-	2,740	4,190
1962 <u>b/</u>	-	1,518	...	...	1,518
<u>Far East</u>					
1960	5,280	12,670	610	7,120	25,680
1961	4,200	16,050	660	9,550	30,460
1962 <u>b/</u>	2,718	13,645	...	...	16,363
<u>Oceania</u>					
1960	330	1,530	2,460	1,630	5,950
1961	770	1,620	1,530	1,420	5,340
1962 <u>b/</u>	464	2,570	...	...	3,034

(Table continued on following page)

Table III-8 (continued)

Region ^{a/} and year	Iraq	Kuwait	Qatar	Saudi Arabia	Total ^{b/}
<u>Africa and other importing areas</u>					
1960	-	-	-	-	-
1961	200	-	-	260	460
1962 <u>b/</u>	1,110	2,740	...	...	3,850

Source: For 1960 and 1961, United Nations, World Energy Supplies, 1958-1961; for 1962, Iraq: Ministry of Planning, Central Bureau of Statistics, Statistical Abstract, 1962; Kuwait: Annual Review of the Operations of Kuwait Oil Company Limited, 1962; Saudi Arabia: Aramco, 1962 (a review of operations by the Arabian American Oil Company).

a/ The regions are as defined in the first source.

b/ The 1962 figures refer only to Iraq and Kuwait; owing to differences in country grouping, these figures are not strictly comparable with those of the previous years.

c/ Including exports of the Neutral Zone.

Table III-9. Direct Payments by Petroleum Companies to Governments,
by Country
(Millions of dollars)

Year	Bahrain	Iraq	Kuwait ^{a/}	Qatar	Saudi Arabia	Total
1953	5	162 ^{b/}	169	18	226	580
1954	11	192	194	29	281	707
1955	9	207	282	34	275	807
1956	10	194	293	36	283	816
1957	10	137	308	45	303	803
1958	12	224	354	60 ^{c/}	302	952
1959	13	243	409 ^{d/}	53	294 ^{e/}	1,012
1960	13	267	442	54	334 ^{f/}	1,110
1961	17	265	465	54	378 ^{f/}	1,179
1962	17	266 ^{g/}	476	56	410 ^{f/}	1,225
1963 .....	...	308 ^{g/}	535	...	480 ^{h/}	...

Source: Bahrain: For 1963-1960, United Nations, Economic Developments in the Middle East, 1959-1961; for 1961 and 1962, The Economist Intelligence Unit, Ltd., Three-Monthly Economic Review (Annual Supplement), Middle East Oil and the Arabian Peninsula (London), September 1963;

Iraq: for 1953-1961, United Nations, Economic Developments in the Middle East, 1959-1961; for 1962, Iraq Oil in 1962, Iraq Petroleum Company, report for 1962; and for 1963, Petroleum Press Service, February 1964;

Kuwait: for 1953-1959, United Nations, Economic Developments in the Middle East, 1959-1961; for 1960-1963, Kuwait Planning Board, Central Statistical Office;

Qatar: for 1953-1960, United Nations, Economic Developments in the Middle East, 1959-1961; for 1961 and 1962, The Economist Intelligence Unit, Ltd., Middle East Oil and the Arabian Peninsula, September 1963;

Saudi Arabia: for 1953-1959, United Nations, Economic Developments in the Middle East, 1959-1961; for 1960-1962, Saudi Arabian Monetary Agency, Annual Report, 1381-82 A.H.; for 1963, Financial Times (London), 7 January 1964.

a/ Including the Neutral Zone.

b/ Including \$19.6 million in settlement of previous claims; actual payments were made in 1957 and 1958.

c/ Including \$3.3 million in settlement of previous claims.

d/ Excluding revenues from the Neutral Zone.

e/ Excluding revenues from the Neutral Zone estimated at \$12 million for 1959.

f/ Including revenues from the Neutral Zone.

g/ Converted to dollars at the rate of one Iraqi dinar = \$2.80.

h/ Payments made by Aramco only, during the first ten months of 1963.

Table III-10. Revenue from Oil Transport, by Country
(Millions of dollars)

Year	Jordan	Lebanon ^{a/}	Syria ^{b/}
1953	1.0	0.7	3.6
1954	1.0	1.1	2.2
1955	1.0	2.4	2.9
1956	1.0	1.4	15.8
1957	1.0	1.4	9.1
1958	1.0	1.4	15.5
1959	1.0	7.4	23.8
1960	1.8	13.5 ^{c/}	26.7
1961	2.2 ^{d/}	4.2	25.6 ^{f/}
1962	13.1 ^{d/}	15.4 ^{e/}	34.6 ^{f/}
1963	4.2 ^{g/}	8.5	24.9 ^{g/}

Source: For 1953-1959, United Nations, Economic Developments in the Middle East, 1959-1961;

Jordan: for 1960-1962, International Monetary Fund, Balance of Payments Yearbook, vol. 15 (Washington, D.C.); for 1963, Jordan Currency Control Department, Provisional Balance of Payments for the year 1963 (Amman). See also Middle East Economic Survey (Beirut), 4 May 1962;

Lebanon: Budget Closed Accounts, for the years 1960, 1961 and 1962; and General Budget, 1963 (Beirut). See also Middle East Economic Survey, 13 July and 21 September 1962;

Syria: for 1960 and 1961, United Nations, Economic Developments in the Middle East, 1959-1961; for 1962 and 1963, private source. See also Middle East Economic Survey, 16 March 1962.

- a/ Lebanese pounds converted to dollars at the rate of 3.2 to the dollar for 1953-1959, at 3.15 and 3.02 for 1960 and 1961, respectively, and at 3.06 for 1962 and 1963.
- b/ Syrian pounds converted to dollars at the rate of 3.6 to the dollar for 1953-1961; for 1962 and 1963, figures were originally given in pounds sterling and were converted to dollars at the rate of £1 = \$2.80.
- c/ Includes a sum of LL33,710,000 designated as "additional revenue".
- d/ Includes a sum of \$10,350,000 paid by Tapline in settlement of all claims prior to 31 December 1961.
- e/ Includes a sum of LL37,000,000 designated as "additional revenue". The Lebanese Government received in 1962 \$11,727,870 from Tapline in settlement of Lebanon's claims prior to 1 August 1962.
- f/ Estimate; includes \$10.2 million paid by Tapline in settlement of Syria's claims prior to 31 December 1961; the remainder represents IPC payments.
- g/ Estimates.

Table IV-1. Iraq: Export and Import Values and Related Indices,
by Major Categories, 1960-1962

(Indices, 1960=100; values in millions of Iraqi dinars)

Item	1960	1961	1962
<u>Total exports (including oil)^{a/}</u>	230.60	230.96	243.06
I. Food, beverages and tobacco	4.30	3.85	14.48
Percentage of total exports	(2)	(2)	(6)
Value index	100	90	337
II. Raw materials	1.99	1.99	2.87
Percentage of total exports	(1)	(1)	(1)
Value index	100	100	144
III. Mineral fuels, lubricants and related items	222.63	223.09	223.74
Percentage of total exports	(97)	(97)	(92)
Value index	100	100	100
IV. Manufactured articles and other items, n.e.s. ^{b/}	1.68	2.03	1.97
Percentage of total exports	(1)	(1)	(1)
Value index	100	121	117
<u>Total imports^{c/}</u>	124.34	133.53	126.92
I. Food, beverages and tobacco	29.70	35.13	23.19
Percentage of total imports	(24)	(26)	(18)
Value index	100	118	78
II. Raw materials	6.80	6.76	6.52
Percentage of total imports	(5)	(5)	(5)
Value index	100	99	96
III. Mineral fuels, lubricants and related items	0.20	0.23	0.18
IV. Machinery and transport equipment	24.05	25.07	16.26
Percentage of total imports	(19)	(19)	(13)
Value index	100	104	68
V. Other import items, n.e.s. ^{b/}	63.59	66.33	80.77
Percentage of total imports	(51)	(50)	(64)
Value index	100	104	127

Source: United Nations, Yearbook of International Trade Statistics, 1961 (Sales No.: 62.XVII.8). Iraq: Central Bank of Iraq, Quarterly Bulletin (Baghdad) Nos. 43 and 47.

a/ National exports.

b/ Including some items of minor importance which belong to sections I, II and III.

c/ Special imports, excluding imports of oil companies.

Table IV-2. Iraq: Direction of Trade, by Major Country Groupings,
1960-1962

(Values in millions of Iraqi dinars)

Item	1960	1961	1962
Total exports (including oil) ^{a/}	233.62	236.34	247.15
Total imports ^{b/}	138.91	145.67	128.76
<u>Middle East countries</u>			
Value of exports	5.01	7.24	8.51
Percentage of total	(2)	(3)	(3)
Value of imports	5.05	4.59	5.32
Percentage of total	(4)	(3)	(4)
<u>EEC countries</u>			
Value of exports	108.38	132.48	137.40
Percentage of total	(46)	(56)	(56)
Value of imports	27.48	29.23	28.80
Percentage of total	(20)	(20)	(22)
<u>Rest of western Europe</u>			
Value of exports	57.20	51.58	58.00
Percentage of total	(24)	(22)	(23)
Value of imports	42.10	40.63	30.31
Percentage of total	(30)	(28)	(23)
<u>United States</u>			
Value of exports	6.38	7.01	2.95
Percentage of total	(3)	(3)	(1)
Value of imports	15.75	15.66	14.90
Percentage of total	(11)	(11)	(12)
<u>Centrally planned countries</u>			
Value of exports	1.43	1.71	3.11
Percentage of total	(1)	(1)	(1)
Value of imports	12.18	16.60	18.80
Percentage of total	(9)	(11)	(15)
<u>Rest of the world</u>			
Value of exports	55.22	38.03	37.34
Percentage of total	(24)	(16)	(15)
Value of imports	36.35	38.96	30.63
Percentage of total	(26)	(27)	(24)

Source: United Nations, Yearbook of International Trade Statistics, 1961.

Iraq: Ministry of Planning, Summary of Foreign Trade Statistics, 1962
(Baghdad).

a/ Special exports (including re-exports).

b/ Special imports.

Table IV-3. Iraq: Indices of Export and Import Unit Values and the Terms of Trade, 1957-1962

(Indices, 1957=100; values in millions of Iraqi dinars)

Item	1957	1958	1959	1960	1961	1962
Value of principal exports ^{a/}	126.03	199.78	213.14	230.60	230.96	240.64
Percentage of total exports	98	99	99	100	99	99
Export unit value index...	100	98	91	89	88	92
Value of principal imports ^{b/}	83.88	70.16	71.75	88.68	97.96	93.16
Percentage of total imports	75	70	72	71	73	73
Import unit value index...	100	98	97	96	94	90
Terms of trade.....	100	100	94	93	94	102

Source: For the foreign trade data on which the calculations were based, see United Nations, Yearbook of International Trade Statistics, 1961; Iraq: Central Bank of Iraq, Quarterly Bulletin, Nos. 34, 43 and 47; and Statistical Abstract of Foreign Trade, 1957-1962 (Baghdad).

a/ National exports (including oil).

b/ Including goods imported by oil companies and other concessionaires.

Table IV-4. Israel: Export and Import Values and Related Indices,
by Major Categories, 1960-1962

(Indices, 1960=100; values in millions of dollars)

Item	1960	1961	1962
<u>Total exports</u> ^{a/}	216.61	245.28	279.98
I. Food, beverages and tobacco	71.97	70.11	76.87
Percentage of total exports	(33)	(29)	(27)
Value index	100	97	107
II. Raw materials	5.15	9.89	11.13
Percentage of total exports	(2)	(4)	(4)
Value index	100	192	216
III. Mineral fuels, lubricants and related items	1.31	2.09	3.78
Percentage of total exports	(1)	(1)	(1)
Value index	100	160	289
IV. Manufactured articles and other items, n.e.s.	138.17	163.19	188.21
Percentage of total exports	(64)	(67)	(67)
Value index	100	118	136
<u>Total imports</u> ^{b/}	502.68	586.35	628.13
I. Food, beverages and tobacco	72.02	77.49	74.74
Percentage of total imports	(14)	(13)	(12)
Value index	100	108	104
II. Raw materials	75.06	85.06	98.24
Percentage of total imports	(15)	(15)	(16)
Value index	100	113	131
III. Mineral fuels, lubricants and related items	34.34	33.62	39.53
Percentage of total imports	(7)	(6)	(6)
Value index	100	97	115
IV. Machinery and transport equipment ..	139.16	189.85	181.00
Percentage of total imports	(28)	(32)	(29)
Value index	100	136	130
V. Other import items, n.e.s.	182.17	200.32	234.61
Percentage of total imports	(36)	(34)	(37)
Value index	100	109	129

Source: United Nations, Yearbook of International Trade Statistics, 1961;
Israel: Central Bureau of Statistics, Statistical Abstract of Israel, 1963.

a/ National exports.

b/ Special imports.

Table IV-5. Israel: Direction of Trade, by Major Country Groupings,
1960-1962

(Values in millions of dollars)

Item	1960	1961	1962
Total exports ^{a/}	216.61	245.28	279.98
Total imports ^{b/}	502.68	586.35	612.41
<u>Middle East countries^{c/}</u>			
Value of exports	10.72	10.02	10.56
Percentage of total	(5)	(4)	(4)
Value of imports	8.08	6.26	4.33
Percentage of total	(2)	(1)	(1)
<u>EEC countries</u>			
Value of exports	64.53	68.39	73.18
Percentage of total	(30)	(28)	(26)
Value of imports	145.95	172.60	147.93
Percentage of total	(29)	(29)	(24)
<u>Rest of western Europe</u>			
Value of exports	65.68	68.70	80.33
Percentage of total	(30)	(28)	(29)
Value of imports	112.55	128.96	160.29
Percentage of total	(22)	(22)	(26)
<u>United States</u>			
Value of exports	29.41	39.00	42.32
Percentage of total	(14)	(16)	(15)
Value of imports	146.38	167.88	208.47
Percentage of total	(29)	(29)	(34)
<u>Centrally planned countries</u>			
Value of exports	3.78	6.44	8.13
Percentage of total	(2)	(3)	(3)
Value of imports	3.82	5.92	8.42
Percentage of total	(1)	(1)	(1)
<u>Rest of the world</u>			
Value of exports	42.49	52.73	65.46
Percentage of total	(20)	(21)	(23)
Value of imports	85.90	104.73	82.97
Percentage of total	(17)	(18)	(14)

Source: United Nations, Yearbook of International Trade Statistics, 1961;
Israel: Central Bureau of Statistics, Statistical Abstract of Israel, 1963.

a/ National exports.

b/ Special imports.

c/ Exclusively with Cyprus and Turkey.

Table IV-6. Israel: Indices of Export and Import Unit Values and Quantum, and Terms of Trade, 1957-1962

(1957=100)

Item	1957	1958	1959	1960	1961	1962
Export unit value	100	98	89	86	87	86
Export quantum	100	105	147	183	205	238
Import unit value	100	89	87	87	84	82
Import quantum	100	115	121	137	168	183
Terms of trade	100	110	102	99	104	105

Source: United Nations, Yearbook of International Trade Statistics, 1962 (Sales No.: 63.XVII.8), page 345. The export and import unit value (current period weights) and quantum (base period weights) indices were first converted to the 1957 base (from the 1958 base in the source), before the terms of trade were calculated.

Table IV-7. Jordan: Export and Import Values and Related Indices,
by Major Categories, 1960-1962

(Indices, 1960=100; values in thousands of Jordanian dinars)

Item	1960	1961	1962
<u>Total exports</u> ^{a/}	3,481	4,252	4,929
I. Food, beverages and tobacco	1,786	2,041	2,767
Percentage of total exports	(51)	(48)	(56)
Value index	100	114	154
II. Raw materials	1,539	1,906	1,792
Percentage of total exports	(44)	(45)	(36)
Value index	100	124	116
III. Manufactured articles and other items, n.e.s.	156	305	370
Percentage of total exports	(4)	(7)	(8)
Value index	100	196	237
<u>Total imports</u> ^{b/}	42,935	41,910	45,629
I. Food, beverages and tobacco	13,776	13,810	13,125
Percentage of total imports	(32)	(33)	(29)
Value index	100	100	95
II. Raw materials	1,668	1,726	2,064
Percentage of total imports	(4)	(4)	(5)
Value index	100	103	124
III. Mineral fuels, lubricants and related items	3,100	2,370	2,640
Percentage of total imports	(7)	(6)	(6)
Value index	100	76	85
IV. Machinery and transport equipment ...	6,449	6,352	8,375
Percentage of total imports	(15)	(15)	(18)
Value index	100	98	130
V. Other import items, n.e.s.	17,942	17,652	19,425
Percentage of total imports	(42)	(42)	(43)
Value index	100	98	108

Source: United Nations, Yearbook of International Trade Statistics, 1961;
Jordan: Ministry of National Economy, Statistical Yearbook, 1962.

a/ National exports.

b/ Special imports (excluding non-monetary gold).

Table IV-8. Jordan: Direction of Trade, by Major Country Groupings,
1960-1962

(Values in thousands of Jordanian dinars)

Item	1960	1961	1962
Total exports ^{a/}	3,481	4,252	4,929
Total imports ^{b/}	42,935	41,910	45,629
<u>Middle East countries</u>			
Value of exports	2,117	2,610	3,407
Percentage of total	(61)	(61)	(69)
Value of imports	11,958	9,158	9,730
Percentage of total	(28)	(22)	(21)
<u>EEC countries</u>			
Value of exports	18	11	12
Percentage of total	-	-	-
Value of imports	10,806	8,296	9,748
Percentage of total	(25)	(20)	(21)
<u>Rest of western Europe</u>			
Value of exports	52	43	5
Percentage of total	(1)	(1)	-
Value of imports	8,045	9,063	10,371
Percentage of total	(19)	(22)	(23)
<u>United States</u>			
Value of exports	18	11	11
Percentage of total	-	-	-
Value of imports	5,072	7,004	6,066
Percentage of total	(12)	(17)	(13)
<u>Centrally planned countries</u>			
Value of exports	376	320	40
Percentage of total	(11)	(8)	-
Value of imports	2,512	2,547	2,929
Percentage of total	(6)	(6)	(6)
<u>Rest of the world</u>			
Value of exports	900	1,257	1,454
Percentage of total	(26)	(30)	(29)
Value of imports	4,542	5,842	6,785
Percentage of total	(11)	(14)	(15)

Source: United Nations, Yearbook of International Trade Statistics, 1961; Jordan: Ministry of National Economy, Statistical Yearbook, 1962.

a/ National exports.

b/ Special imports (including negligible amounts of non-monetary gold).

Table IV-9. Jordan: Indices of Export and Import Unit Values, and Terms of Trade, 1957-1962

(Indices, 1957=100; values in millions of Jordanian dinars)

Item	1957	1958	1959	1960	1961	1962
Value of principal exports	3.90	2.90	2.86	3.23	3.80	4.45
Percentage of total exports ...	(91)	(92)	(93)	(93)	(90)	(90)
Export unit value index	100	100	98	91	89	98
Value of principal imports	22.30	24.97	29.10	29.55	26.63	24.27
Percentage of total imports ...	(73)	(73)	(72)	(69)	(64)	(53)
Import unit value index	100	94	90	83	78	89
Terms of trade	100	106	109	110	114	110

Source: For the foreign trade data on which the calculations were based, see United Nations, Yearbook of International Trade Statistics, 1961; Jordan: Ministry of National Economy, Statistical Yearbook for the years 1957 to 1962.

Table IV-10. Kuwait: Export and Import Values and Related Indices,
by Major Categories, 1960 and 1961

(Indices, 1960=100; values in thousands of Kuwaiti dinars)

Item	1960	1961
<u>Total exports (excluding oil)^{a/}</u>	8,291	9,164
I. Food, beverages and tobacco	3,154	4,358
Percentage of total exports	(38)	(48)
Value index	100	138
II. Capital and transport equipment ^{b/c/}	1,208	978
Percentage of total exports	(15)	(11)
Value index	100	81
III. Vehicles	934	622
Percentage of total exports	(11)	(7)
Value index	100	67
IV. Manufactured articles and other items, n.e.s.	2,996	3,206
Percentage of total exports	(36)	(34)
Value index	100	107
<u>Total imports</u>	86,394	89,046
I. Food, beverages and tobacco	17,979	19,703
Percentage of total imports	(21)	(22)
Value index	100	110
II. Capital and transport equipment ^{b/c/}	28,795	24,763
Percentage of total imports	(33)	(28)
Value index	100	86
III. Vehicles	7,002	6,834
Percentage of total imports	(8)	(8)
Value index	100	98
IV. Manufactured articles and other items, n.e.s. .	32,618	37,746
Percentage of total imports	(38)	(42)
Value index	100	116

Source: Kuwait, Ports and Customs Office, General Control of Statistics, Foreign Trade Statistics for the years 1960 and 1961.

Note: The 1960 figures were given in Indian rupees in the original source; they were converted to Kuwaiti dinars at the rate of IR 1 = KD 0.075.

a/ General exports (mostly re-exports).

b/ Excluding vehicles.

c/ The term "Capital" is used in a broad sense and includes all sorts of materials used mainly in industry and construction, such as iron rods and bars, lime, sanitary fittings, wood, cement and the like.

Table IV-11. Kuwait: Direction of Trade, by Major Country Groupings,
1960 and 1961

(Values in thousands of Kuwaiti dinars)

Item	1960	1961
Total exports (excluding oil) ^{a/}	8,291	9,164
Total imports	86,394	89,046
<u>Middle East countries</u>		
Value of exports	6,946	7,688
Percentage of total	(84)	(84)
Value of imports	7,516	8,013
Percentage of total	(9)	(9)
<u>EEC countries</u>		
Value of exports	63	145
Percentage of total	(1)	(2)
Value of imports	20,793	18,838
Percentage of total	(24)	(21)
<u>Rest of western Europe</u>		
Value of exports	313	415
Percentage of total	(4)	(4)
Value of imports	22,534	23,389
Percentage of total	(26)	(26)
<u>United States</u>		
Value of exports	104	97
Percentage of total	(1)	(1)
Value of imports	15,475	17,912
Percentage of total	(18)	(20)
<u>Centrally planned countries</u>		
Value of exports	-	-
Percentage of total	(-)	(-)
Value of imports	2,932	3,930
Percentage of total	(3)	(4)
<u>Rest of the world</u>		
Value of exports	864	819
Percentage of total	(10)	(9)
Value of imports	17,145	16,964
Percentage of total	(20)	(19)

Source: Kuwait: Ports and Customs Office, General Control of Statistics, Foreign Trade Statistics for the years 1960 and 1961.

Note: The 1960 figures were given in Indian rupees in the original source; they were converted to Kuwaiti dinars at the rate of IR 1 = KD 0.075.

a/ General exports (mostly re-exports).

Table IV-12. Lebanon: Export and Import Values and Related Indices,
by Major Categories, 1960-1962

(Indices, 1960=100; values in millions of Lebanese pounds)

Item	1960	1961	1962 ^{a/}
<u>Total exports</u> ^{b/}	127.41	128.17	166.08
I. Food, beverages and tobacco	61.45	58.16	84.56
Percentage of total exports	(48)	(45)	(44)
Value index	100	95	138
II. Raw materials	11.47	10.22	19.41
Percentage of total exports	(9)	(8)	(10)
Value index	100	89	169
III. Mineral fuels, lubricants and related items	0.34	0.31	1.00
Percentage of total exports	(0.27)	(0.24)	(0.52)
Value index	100	91	294
IV. Manufactured articles and other items, n.e.s.	54.15	59.48	61.11
Percentage of total exports	(43)	(46)	(38)
Value index	100	110	113
<u>Total imports</u> ^{c/d/}	671.69	727.03	775.58
I. Food, beverages and tobacco	164.88	193.66	214.63
Percentage of total imports	(25)	(27)	(28)
Value index	100	117	130
II. Raw materials	58.28	62.05	65.38
Percentage of total imports	(9)	(9)	(8)
Value index	100	106	112
III. Mineral fuels, lubricants and related items	66.28	59.69	67.12
Percentage of total imports	(10)	(8)	(9)
Value index	100	90	101
IV. Machinery and transport equipment ..	130.93	149.36	141.00
Percentage of total imports	(19)	(21)	(18)
Value index	100	114	108
V. Other import items, n.e.s.	251.32	262.27	287.45
Percentage of total imports	(37)	(36)	(37)
Value index	100	104	114

Source: Lebanon: Conseil supérieur des douanes, Statistiques du commerce extérieur (Beirut) for the years 1960, 1961 and 1962; Ministry of Planning, Bulletin statistique trimestriel for the years 1960 and 1961.

a/ Preliminary.

b/ Special exports excluding gold bullion, specie, postage stamps, bank-notes, shares, etc.

c/ Special imports excluding gold bullion, specie, postage stamps, bank-notes, shares, etc.

d/ Imports are recorded at the official rate of exchange of LL 1 = \$2.191, following Lebanese customs practice.

Table IV-13. Lebanon: Direction of Trade, by Major Country Groupings, 1960-1962

(Value in millions of Lebanese pounds)

Item	1960	1961	1962 ^{a/}
Total exports ^{b/}	143.95	155.63	192.05
Total imports ^{c/d/}	808.61	937.47	1,044.23
<u>Middle East countries</u>			
Value of exports	96.25	120.77	105.73
Percentage of total	(67)	(78)	(55)
Value of imports	159.51	162.26	222.61
Percentage of total	(20)	(17)	(21)
<u>EEC countries</u>			
Value of exports	10.36	8.65	23.62
Percentage of total	(7)	(6)	(12)
Value of imports	230.30	251.21	239.64
Percentage of total	(28)	(27)	(23)
<u>Rest of western Europe</u>			
Value of exports	12.06	12.76	14.80
Percentage of total	(8)	(8)	(8)
Value of imports	225.62	246.65	265.41
Percentage of total	(28)	(26)	(25)
<u>United States</u>			
Value of exports	8.25	6.32	9.48
Percentage of total	(6)	(4)	(5)
Value of imports	88.01	158.98	193.22
Percentage of total	(11)	(17)	(19)
<u>Centrally planned countries</u>			
Value of exports	9.88	4.33	10.80
Percentage of total	(7)	(3)	(6)
Value of imports	27.18	30.83	30.97
Percentage of total	(3)	(3)	(3)
<u>Rest of the world</u>			
Value of exports	7.14	2.80	27.62
Percentage of total	(5)	(2)	(14)
Value of imports	77.99	87.55	92.38
Percentage of total	(10)	(9)	(9)

Sources: United Nations, Yearbook of International Trade Statistics, 1961; Lebanon: Ministry of Planning, Bulletin statistique trimestriel, vol. XII, covering the years 1960-1961; Conseil supérieur des douanes, Statistiques du commerce extérieur, for the years 1961 and 1962.

a/ Preliminary.

b/ Special exports, including gold bullion and specie, but excluding postage stamps, bank-notes and shares.

c/ Special imports, including gold bullion and specie, but excluding postage stamps, bank-notes and shares.

d/ Imports are recorded at the official rate of exchange of LL 1 = \$2.191, following Lebanese customs practice.

Table IV-14. Lebanon: Indices of Export and Import Unit Values, and the Terms of Trade, 1957-1962

(Indices, 1957=100; values in millions of Lebanese pounds)

Item	1957	1958	1959	1960	1961	1962
Value of principal exports	88.80	68.36	81.73	79.76	71.60	101.88
Percentage of total exports	(69)	(69)	(65)	(63)	(56)	(61)
Export unit value index	100	106	107	102	101	110
Value of principal imports	386.97	319.11	384.13	412.00	454.40	426.03
Percentage of total imports	(71)	(69)	(68)	(61)	(63)	(55)
Import unit value index	100	93	83	85	78	86
Terms of trade	100	114	129	120	129	128

Source: For the foreign trade data on which the calculations were based, see United Nations, Yearbook of International Trade Statistics, 1961; Lebanon: Ministry of Planning, Bulletin statistique trimestriel, vol XII, covering the year 1960-1961, and Commerce extérieur du Liban en 1962, supplement to vol. XII.

Table IV-15. Saudi Arabia: Import Values and Related Indices,
by Major Categories, 1957/58-1960/61

(Indices, 1959/60=100; values in millions of Saudi Arabian riyals)

Item	1957/58	1958/59	1959/60	1960/61
<u>Total imports</u>	878	965	918	1,053
I. Food, beverages and tobacco ..	261	317	351	344
Percentage of total imports.	(30)	(33)	(38)	(33)
Value index	74	90	100	98
II. Building materials.....	160	89	83	89
Percentage of total imports.	(18)	(9)	(9)	(8)
Value index	193	107	100	107
III. Machinery, electric appliances and transport equipment	184	256	217	245
Percentage of total imports.	(21)	(27)	(24)	(23)
Value index	85	118	100	113
IV. Other import items, n.e.s. ...	273	303	267	375
Percentage of total imports.	(31)	(31)	(29)	(36)
Value index	102	113	100	140

Source: Kingdom of Saudi Arabia, Saudi Arabian Monetary Agency, Annual Report,
1381-82 A.H.

Note: Figures are given for periods of twelve months corresponding to the
Hijri years 1377, 1378, 1379 and 1380 A.H., respectively.

Table IV-16. Saudi Arabia: Direction of Trade, by Major Country Groupings, 1958/59-1961/62

(Values in millions of Saudi Arabian riyals)

Item	1958/59	1960/61	1961/62
Total exports (including oil)	2,947.9 ^{a/}	3,316.5 ^{b/}	3,888.4 ^{c/}
Total imports	964.7	917.6	1,052.9
<u>Middle East countries</u>			
Value of exports	428.3	517.8	647.2
Percentage of total	(15)	(16)	(17)
Value of imports	211.0	230.6	231.5
Percentage of total	(22)	(25)	(22)
<u>EEC countries</u>			
Value of exports	958.7	1,049.9	1,047.0
Percentage of total	(33)	(32)	(27)
Value of imports	193.0	178.1	252.1
Percentage of total	(20)	(19)	(24)
<u>Rest of western Europe</u>			
Value of exports	226.8	242.8	335.2
Percentage of total	(8)	(7)	(9)
Value of imports	80.2	79.1	107.5
Percentage of total	(8)	(9)	(10)
<u>United States</u>			
Value of exports	269.3	292.4	325.1
Percentage of total	(9)	(9)	(8)
Value of imports	267.7	187.5	210.6
Percentage of total	(28)	(20)	(20)
<u>Centrally planned countries</u>			
Value of exports	-	-	-
Percentage of total	(-)	(-)	(-)
Value of imports	4.0	3.2	13.7
Percentage of total	(-)	(-)	(1)
<u>Rest of the world</u>			
Value of exports	1,064.8	1,213.6	1,533.9
Percentage of total	(36)	(37)	(39)
Value of imports	208.8	239.1	237.5
Percentage of total	(22)	(26)	(23)

Source: Kingdom of Saudi Arabia, Saudi Arabian Monetary Agency, Annual Report, 1381-1382 A.H.

Note: Figures are given for periods of twelve months corresponding to the Hijri years 1378, 1379 and 1380 A.H. respectively.

a/ Including SA Rl 185.5 million of exports to United States military services, SA Rl 78.9 million, bunker fuel and SA Rl 2.5 million, miscellaneous.

b/ Including SA Rl 156.4 million of exports to United States military services, SA Rl 92.9 million, bunker fuel and SA Rl 12.2 million, miscellaneous.

c/ Including SA Rl 193.8 million of exports to United States military services, SA Rl 94.4 million, bunker fuel and SA Rl 9.4 million, miscellaneous.

Table IV-17. Syria: Export and Import Values and Related Indices,
by Major Categories, 1960-1962 ^{a/}

(Indices 1960=100; values in millions of Syrian pounds)

Item	1960	1961	1962
<u>Total exports</u> ^{b/}	333.41	350.10	617.00
I. Food, beverages and tobacco	50.21	46.93	261.39
Percentage of total exports	(15)	(13)	(42)
Value index	100	93	521
II. Raw materials	217.77	247.47	299.68
Percentage of total exports	(65)	(71)	(49)
Value index	100	114	138
III. Mineral fuels, lubricants and related items	-	2.39	6.43
Percentage of total exports	-	-	-
IV. Manufactured articles and other items, n.e.s.	65.43	53.31	49.50
Percentage of total exports	(20)	(15)	(8)
Value index	100	81	76
<u>Total imports</u> ^{c/}	803.53	643.65	852.28
I. Food, beverages and tobacco	192.60	146.76	183.28
Percentage of total imports	(24)	(23)	(22)
Value index	100	76	95
II. Raw materials	74.75	44.57	59.23
Percentage of total imports	(9)	(7)	(7)
Value index	100	60	79
III. Mineral fuels, lubricants and related items	61.43	60.63	58.48
Percentage of total imports	(8)	(9)	(7)
Value index	100	99	95
IV. Machinery and transport equipment ..	135.65	115.64	152.50
Percentage of total imports	(17)	(18)	(18)
Value index	100	85	112
V. Other import items, n.e.s.	339.10	276.05	398.41
Percentage of total imports	(42)	(43)	(47)
Value index	100	81	117

Source: United Nations, Yearbook of International Trade Statistics, 1961; Syria: Banque centrale de Syrie, Bulletin periodique, 1^{re} année, No. 1, 1963; Statistiques du commerce extérieur, 1962 (Damascus, 1963).

^{a/} Excluding trade with the United Arab Republic for 1960 and 1961.

^{b/} Special exports, excluding gold bullion and specie.

^{c/} Special imports, excluding gold bullion and specie.

Table IV-18. Syria: Direction of Trade, by Major Country Groupings,
1960-1962 a/

(Values in millions of Syrian pounds)

Item	1960	1961	1962
Total exports ^{b/}	405.19	394.74	617.16
Total imports ^{c/}	858.29	711.32	852.88
<u>Middle East countries</u>			
Value of exports	181.46	137.69	171.09
Percentage of total	(45)	(35)	(28)
Value of imports	160.81	158.98	106.31
Percentage of total	(19)	(22)	(12)
<u>EEC countries</u>			
Value of exports	72.63	71.66	201.70
Percentage of total	(18)	(18)	(33)
Value of imports	278.87	192.50	264.62
Percentage of total	(32)	(27)	(31)
<u>Rest of western Europe</u>			
Value of exports	17.33	32.50	62.25
Percentage of total	(4)	(8)	(10)
Value of imports	125.12	97.25	144.60
Percentage of total	(15)	(14)	(17)
<u>United States</u>			
Value of exports	11.92	12.41	8.01
Percentage of total	(3)	(3)	(1)
Value of imports	114.92	108.61	106.31
Percentage of total	(13)	(15)	(12)
<u>Centrally planned countries</u>			
Value of exports	79.57	96.46	144.81
Percentage of total	(20)	(24)	(23)
Value of imports	84.83	87.33	124.48
Percentage of total	(10)	(12)	(15)
<u>Rest of the world</u>			
Value of exports	42.28	44.02	29.30
Percentage of total	(10)	(11)	(5)
Value of imports	93.74	66.65	105.96
Percentage of total	(11)	(9)	(12)

Source: United Nations, Yearbook of International Trade Statistics, 1961; Syria: Statistiques du commerce extérieur, 1962.

a/ Including trade with the United Arab Republic for 1960 and 1961.

b/ Special exports, including gold bullion and specie.

c/ Special imports, including gold bullion and specie.

Table IV-19. Syria: Indices of Export and Import Unit Values, and Terms of Trade, 1957-1962

(Indices, 1957=100; values in millions of Syrian pounds)

Item	1957	1958	1959	1960	1961	1962
Value of principal exports....	478.13	357.81	288.26	272.24	301.91	538.21
Percentage of total exports.	(88)	(86)	(83)	(82)	(86)	(87)
Export unit value index.....	100	94	89	92	96	106
Value of principal imports....	406.47	454.07	397.19	456.71	374.63	513.15
Percentage of total imports.	(66)	(66)	(62)	(57)	(58)	(60)
Import unit value index.....	100	97	91	99	94	99
Terms of trade.....	100	97	98	93	102	107

Source: For the foreign trade data on which the calculations were based, see United Nations, Yearbook of International Trade Statistics, 1961; Syria: Statistiques du commerce extérieur, 1962.

Table IV-20. Balance of Payments, by Country, 1957-1963
(Millions of indicated currency units)

Country and year	Goods and services				Capital flow and monetary gold				Net errors and commissions
	Merchandise and non-monetary gold	Trans-actions of oil sector	Services	Total	Official and private transfers	Private capital	Official and banking capital	Total	
Iraq (Iraqi dinars)									
1957	-104.42	54.74	3.78	-45.90	-0.77	13.24	33.58	46.82	-0.15
1958	-85.90	96.61	8.69	19.40	-	1.77	-12.38	-10.61	-8.79
1959	-88.76	98.26	2.29	11.79	-2.17	5.94	-1.29	4.65	-14.27
1960	-118.50	112.15	-0.78	-7.13	-3.44	4.56	16.87	21.43	-10.86
1961	-128.86	116.68	-3.25	-15.43	-2.18	-0.41	20.51	20.10	-2.49
1962	-108.80	128.33	-4.44	15.09	-2.71	-12.34	23.57	11.23	-17.99
1963	-99.99	147.77	-14.76	33.02	-0.23	-21.09	2.83	-18.26	-14.53
Israel (dollars)									
1957	-291.30	-	-40.20	-331.50	245.30	18.30	53.80	72.10	14.10
1958	-235.40	-	-101.00	-336.40	263.60	27.30	60.60	87.90	-15.10
1959	-206.70	-	-108.90	-315.60	250.90	47.20	6.70	53.90	10.80
1960	-232.20	-	-104.50	-336.70	311.10	66.90	-25.00	41.90	-16.30
1961	-282.70	-	-149.10	-431.80	346.30	98.10	13.70	111.80	-26.30
1962	-277.90	-	-169.10	-447.00	334.00	127.30	-6.10	121.20	-8.20
Jordan (Jordanian dinars)									
1957	-24.28	-	0.42	-23.86	21.73	0.30	1.50	1.80	0.33
1958	-30.49	-	5.68	-24.81	23.91	0.58	-2.62	-2.04	2.94
1959	-36.85	-	2.66	-34.19	31.30	0.11	0.60	0.71	2.18
1960	-37.46	-	2.42	-35.06	33.12	0.41	-0.29	0.12	1.82
1961	-35.66	-	4.88	-30.78	31.53	0.46	-1.95	-1.49	0.74
1962	-37.59	-	4.53	-33.06	30.18	4.95	-4.70	0.25	2.63
1963	-43.68	-	10.93	-32.75	22.87	1.51	6.25	7.76	2.12
Lebanon (Lebanese pounds)									
1957	-532.20	-	196.90	-335.30	31.20 ^{a/}	5.20	-35.90	-30.70	334.80 ^{b/}
1958	-563.00	-	268.00	-295.00	165.00	...	...	144.00	-14.00
1959	-619.00	-	379.00	-240.00	108.00	...	...	156.00	-24.00
1960	-776.00	-	466.00	-310.00	105.00	—205.00—	—	205.00	-
1961 ^{c/}	-870.10	-	590.00	-280.10	110.00	—133.30—	—	133.30	36.80

(Table continued on following page)

Table IV-20 (continued)

Country and year	Goods and services				Official and private transfers	Capital flow and monetary gold			Net errors and commissions
	Merchandise and non-monetary gold	Trans-actions of oil sector	Services	Total		Private capital	Official and banking capital	Total	
Syria (Dollars)									
1957	-16.90	-	10.30	-6.60	13.70	-2.80	1.40	-1.40	-5.70
1958	-73.70	-	23.20	-50.50	23.70	-4.20	8.80	4.60	22.20
1959	-65.90	-	25.80	-40.10	35.50	2.80	0.40	3.20	1.40
1960	-99.60	-	26.00	-73.60	44.30	-3.40	27.70	24.30	5.00
1961	-88.00	-	22.50	-65.50	43.40	-20.80	51.80	31.00	-8.90
1962d/.....	-66.60	-	65.20e/	-1.40	6.30e/	-	-11.10	-11.10	6.20

Source: United Nations, Economic Developments in the Middle East, 1959-1961; International Monetary Fund, Balance of Payments Yearbook, vols. 13, 14 and 15; Iraq: Central Bank of Iraq, Balance of Payments, 1962; Preliminary estimate of the Iraqi balance of payments for 1963; Jordan: Currency Control Department, Provisional Balance of Payments for the Year 1963; Lebanon: private sources; Syria: Central Bank of Syria, Global Balance of Payments Summary, 1962.

a/ Official donations only.

b/ Including private donations.

c/ Preliminary figures prepared at the Economic Institute of the American University of Beirut, Beirut, Lebanon.

d/ Provisional.

e/ The rise in the "Services" account from \$22.5 million in 1961 to \$65.2 million in 1962 is explained by the fact that the provisional balance of payments account obtained from the Central Bank of Syria include revenue from oil transit under "Services", whereas the International Monetary Fund (IMF) recording for previous years shows this item under "official and private transfers". This divergence in recording explains the low current payments deficit and "transfers" for 1962.

Table IV-21. Official Gold and Foreign Exchange Holdings^{a/}

(Millions of dollars; end of period, except as indicated)

Country	Annual average 1950-1955	1957	1958	1959	1960	1961	1962
Iraq	178.2	261.3	288.4	296.0	253.6	210.8	188.4
Israel	20.9	57.4	100.1	120.8	209.4	276.0	419.2
Jordan ^{b/}	28.7	43.8	45.7	44.8	45.9	50.3	56.6
Lebanon	56.3	98.9	107.0	124.9	137.0	159.8	204.5
Saudi Arabia ..	...	23.7 ^{c/}	62.5 ^{d/}	174.0 ^{e/}	171.0 ^{e/}	224.0 ^{e/}	254.0 ^{e/}
Syria	37.2 ^{f/}	62.0	46.0	53.0	50.0	35.0	43.0

Source: United Nations, Economic Developments in the Middle East, 1959-1961;
International Monetary Fund, International Financial Statistics
(Washington, D.C.), February 1964.

a/ Excluding IMF accounts.

b/ Foreign exchange only.

c/ As at 20 January 1957.

d/ As at 27 July 1958.

e/ Approximately end of period.

f/ Annual average 1951-1955.

Table V-1. Railway Freight Traffic, by Country

Item and country	1957	1958	1959	1960	1961	1962
<u>Net ton-kilometres (millions)</u>						
Iraq ^{a/}	909	818	768	813	693	...
Israel	237	205	226	216	229	291
Lebanon	43	26	34	36	34	37
Syria	156	90	102	107	77	94
<u>Tons carried (thousands)</u>						
Iraq ^{a/}	2,851	2,984	2,362	2,713	2,419	...
Israel	1,838	1,681	1,944	1,950	2,055	2,762
Jordan	283	237	300	290	228	207
Lebanon	733	422	536	443	523	509
Syria	1,193	643	766	737	418	700

Source: United Nations, Economic Developments in the Middle East, 1959-1961; Monthly Bulletin of Statistics, October 1963; Iraq: Statistical Abstract, 1962; Israel: Statistical Bulletin of Israel, May 1963; Statistical Abstract of Israel, 1963; Jordan: Statistical Yearbook, 1962; Lebanon: Bulletin statistique trimestriel, 1962; Syria: Statistical Abstract, 1962.

a/ Twelve months beginning 1 April of year stated; excluding livestock.

Table V-2. Railway Passenger Traffic, by Country
(Passengers in thousands; passenger-kilometres in millions)

Country and item	1957	1958	1959	1960	1961	1962
<u>Iraq</u> ^{a/}						
Number of passengers	3,547	3,240	3,277	2,558	2,708	...
Passenger-kilometres	658	574	656	554	590	...
<u>Israel</u>						
Number of passengers	4,657	4,706	4,837	4,386	4,547	5,190
Passenger-kilometres	333	348	369	350	365	417
<u>Jordan</u>						
Number of passengers	97	84	94	53	15	21
<u>Lebanon</u>						
Number of passengers	118	65	102	68	71	73
Passenger-kilometres	5	3	5	5	6	6
<u>Syria</u>						
Number of passengers	484	402	416	381	...	...
Passenger-kilometres	46	42	43	42	47	55

Source: Statistical Office of the United Nations, Monthly Bulletin of Statistics; United Nations, Economic Developments in the Middle East, 1951-1961; Iraq: Statistical Abstract, 1962; Israel: Statistical Abstract of Israel, 1963; Jordan: Statistical Abstract, 1962; Lebanon: Bulletin statistique trimestriel, 1962; Syria: Statistical Abstract, 1962.

a/ Twelve months beginning 20 to 22 March of year stated.

Table V-3. Number of Motor Vehicles Registered

(Thousands; end of year stated)

Country and item	1957	1958	1959	1960	1961	1962	1963
<u>Iraq</u>							
Total, cars, trucks and buses ..	40.3	41.5	50.8	60.2	61.0	75.0	78.1
Cars	25.9	26.5	35.1	39.4	40.0	51.0	53.0
Trucks	10.9	11.5	12.2	15.8	16.0	18.0	19.0
Buses	3.5	3.5	3.5	5.0	5.0	6.0	6.1
Motor cycles	7.6	7.6	3.0	3.9	4.0	5.0	...
<u>Israel</u>							
Total, cars, trucks and buses ..	43.0	46.4	51.8	65.5	70.3	74.5	91.8
Cars	20.6	23.0	26.7	32.0	39.0	45.0	60.0
Trucks	20.2	21.0	22.8	31.0	28.6	27.0	29.0
Buses	2.2	2.4	2.3	2.5	2.7	2.5	2.8
Motor cycles	10.3	14.2	19.4	22.5	26.0	28.0	...
<u>Jordan</u>							
Total, cars, trucks and buses ..	9.6	9.6	9.6	10.9	12.0	13.5	14.3
Cars	5.6	5.6	5.6	6.5	7.2	7.8	8.6
Trucks	3.2	3.2	3.2	3.6	4.0	4.8	4.8
Buses	0.8	0.8	0.8	0.8	0.8	0.9	0.9
Motor cycles	0.4	0.4	0.5	0.5	0.5	0.5	...
<u>Lebanon</u>							
Total, cars, trucks and buses ..	38.2	42.1	45.5	55.4	66.2	75.9	88.0
Cars	31.4	34.7	37.8	46.9	56.9	65.6	76.7
Trucks	5.3	5.8	6.4	7.1	7.9	8.8	9.7
Buses	1.5	1.6	1.3	1.4	1.4	1.5	1.6
Motor cycles	3.1	3.3	3.9	4.4	4.9	5.0	...
<u>Syria</u>							
Total, cars, trucks and buses ..	22.7	21.6	22.6	28.4	29.5	29.3	29.5
Cars	12.9	12.3	12.9	16.5	17.2	16.7	16.8
Trucks	8.5	8.1	8.5	10.2	10.5	11.2	11.3
Buses	1.3	1.2	1.2	1.7	1.8	1.4	1.4
Motor cycles	2.0	1.9	2.1	2.4	2.5	2.6	...
<u>Other Arab States^{a/}</u>							
Total, cars, trucks and buses ..	60.0	60.0	122.4	129.5	135.0	135.0	154.0
Cars	20.0	20.0	64.4	69.2	73.0	77.0	92.0
Trucks	40.0	40.0	50.0	52.3	54.0	55.0	58.0
Buses	b/	b/	8.0	8.0	8.0	3.0	4.0
Motor cycles	-	-	0.7	0.8	0.8	1.0	...

Source: The American Automobile (McGraw-Hill, New York); United States State Department and other official country sources.

a/ Aden, Bahrain, Dubai, Kuwait, Saudi Arabia 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	1957	1958	1959	1960	1961	1962	1962 first half	1963
<u>Iraq^{a/}</u>								
Goods loaded	356	473	266	229	231	492	...	...
Goods unloaded	668	651	1,133	1,042	1,145	972	...	...
<u>Israel</u>								
Goods loaded	842	779	1,091	1,179	1,060	1,106	737	777
Goods unloaded	1,560	1,644	1,884	2,040	2,160	2,400	1,133	1,050
<u>Jordan^{b/}</u>								
Goods loaded	100	138	129	223	313	287	160	104
Goods unloaded	48	272	454	461	421	368	197	243
<u>Lebanon^{c/}</u>								
Goods loaded	493	331	328	280	282	397	201	183
Goods unloaded	1,525	1,097	1,336	1,443	1,359	1,229	695	682
<u>Syria^{d/}</u>								
Goods loaded	721	484	215	225	657	885	331	304
Goods unloaded	343	615	817	1,101	1,144	872	533	401

Source: Statistical Office of the United Nations, Monthly Bulletin of Statistics; United Nations, Economic Developments in the Middle East, 1959-1961; Iraq

Table V-5. Civil Aviation Revenue Traffic: Total Scheduled Services for Airlines Registered, by Country

(Thousands)

Traffic item and year	Aden	Bahrain ^{a/}	Iraq	Israel	Jordan ^{a/}	Kuwait ^{a/}	Lebanon	Saudi Arabia ^{a/}	Syria ^{a/}	Total
<u>Kilometres flown</u>										
1957	2,184	600	2,382	4,824	1,005	2,400	8,956	2,850	1,200	26,401
1958	2,427	750	2,488	6,650	1,110	1,720	11,547	4,200	1,185	32,077
1959	2,306	790	2,420	7,772	1,270	2,120	12,304	4,700	2,916	36,598
1960	2,492	830	2,391	8,781	1,340	2,940	13,869	4,600	3,570	40,813
1961	2,840	870	2,317	11,556	1,900	4,100	14,508	4,515	2,015	44,621
1962	2,963	875	2,722	12,776	1,588 ^{b/}	3,762	14,633	4,840	1,762 ^{b/}	45,921
1963	3,256	880	2,813	14,195 ^{a/}	1,650	3,840	15,300	4,900	1,900	48,734
<u>Passenger-kilometres</u>										
1957	21,216	6,500	52,207	166,082	15,770	49,500	173,762	95,000	13,800	593,837
1958	23,683	7,500	48,084	278,076	17,350	52,000	188,946	104,000	13,889	733,528
1959	23,085	8,000	41,901	358,367	20,670	63,000	267,144	110,000	27,780	919,947
1960	32,852	8,500	52,005	439,478	22,740	56,015	251,509	105,000	44,800	1,012,899
1961	39,611	12,000	45,452	647,746	37,920	69,463	346,936	92,480	36,895	1,328,503
1962	46,208	19,400	56,146	856,693	39,478 ^{b/}	95,452	402,954	96,760	35,816 ^{b/}	1,648,907
1963	55,475	23,300	59,495	868,690 ^{a/}	44,415	110,000	463,400 ^{a/}	105,000	36,000	1,765,775
<u>Cargo (ton-kilometres)</u>										
1957	1,753	85	589	3,345	185	650	7,423	2,000	120	16,150
1958	1,471	95	504	4,738	235	725	9,827	2,300	126	20,021
1959	1,461	110	855	6,532	270	800	9,570	2,650	250	22,498
1960	1,651	120	986	8,792	300	850	17,914	3,000	300	33,913
1961	2,009	200	793	12,448	350	1,687	19,604	3,500	760	41,351
1962	1,919	300	719	17,338	281 ^{b/}	2,355	24,230	2,500	1,108 ^{b/}	50,750
1963	1,987	320	632	25,435 ^{a/}	295	2,700	29,070 ^{a/}	2,900	1,300	64,639

(Table continued on following page)

Table V-5 (continued)

Traffic item and year	Aden	Bahrain ^{a/}	Iraq	Israel	Jordan ^{a/}	Kuwait ^{a/}	Lebanon	Saudi Arabia ^{a/}	Syria ^{a/}	Total
<u>Mail (ton-kilometres)</u>										
1957	97	20	81	700	60	50	243	125	35	1,411
1958	118	25	66	847	65	55	435	150	41	1,802
1959	111	30	128	946	90	60	653	180	80	2,278
1960	182	35	160	1,023	100	95	594	200	100	2,489
1961	226	40	167	1,208	65	99	813	225	120	2,963
1962	226	60	130	1,434	41 ^{b/}	114	1,152	150	120 ^{b/}	3,427
1963	267	70	111	2,130 ^{a/}	50	120	1,440 ^{a/}	175	130	4,493

Source International Civil Aviation Organization.

a/ Data wholly or partly estimated.

b/ Actual data.

Table VI-1. Estimates of Total Population, by Country

(Thousands)

Country	1950	1955	1960	1961	1962
Aden Colony	100	139	155	160	220 ^{a/}
Aden Protectorate .....	...	...	...	1,000 ^{a/}	...
Bahrain ^{b/}	110	128 ^{a/}	147	152	156
Iraq	5,278	6,152	7,085	7,263	6,732
Israel	1,258	1,748	2,114	2,185	2,292
Immigration	(170)	(36)	(24)	...	...
Jordan ^{c/}	1,269	1,437	1,695 ^{a/}	1,690 ^{a/}	1,727 ^{d/}
Kuwait	170	203	219	322 ^{e/}	321
Lebanon ^{f/}	1,257	1,466	1,646 ^{a/}	...	1,760
Muscat and Oman ^{g/} .....	...	550	565	565	565
Qatar	20 ^{h/}	35	45	55	55
Saudi Arabia .....	...	6,036	...	...	...
Syria ^{i/}	3,215 ^{h/}	3,861	4,555	4,930 ^{a/}	5,067
Trucial Oman ^{j/}	80 ^{h/}	80	86 ^{a/}	86 ^{a/}	111 ^{d/}
Yemen	4,500 ^{h/}	...	5,000	...	5,000 ^{d/}

Source: United Nations, Population and Vital Statistics Report, Statistical Papers Series A, vol. XVI, No. 1; Demographic Yearbook, 1962 (Sales No.: 63.XIII.1); Statistical Yearbook, 1962; Monthly Bulletin of Statistics, February 1964; Food and Agriculture Organization of the United Nations, Production Yearbook, 1962, vol. 16.

^{a/} Provisional.

^{b/} Beginning 1956, excluding alien armed forces, merchant seamen and foreign diplomatic personnel.

^{c/} Excluding foreigners and military personnel and their dependents living on military installations; including registered Palestinian refugees numbering 613,743 in 1960, and 630,725 in 1961.

^{d/} Unofficial figures.

^{e/} Includes nationals abroad.

^{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 sheikhdoms of Abu Dhabi, Dubai, Sharja, 'Ajmam, Umm al-Qaiwain, Ras al-Khaimah and Al Fujairah and the area lying within the modified Riyadh line, as announced in October 1955.

Table VI-2. Bank Credit Outstanding and its Distribution between the Public and Private Sectors, by Country a/

(Millions of national currency units)

Country and item	1957	1958	1959	1960	1961	1962
<u>Iraq</u>						
Claims on Government (net)	-23.9	-16.7	-10.0	11.6	25.4	45.7
Claims on private sector	40.1	39.5	44.6	53.4	61.6	64.3
<u>Israel</u>						
Claims on Government (net)	183	192	179	175	80	-329
Claims on private sector	506	600	726	862	1,092	1,442
<u>Jordan</u>						
Claims on official entities	0.72	0.84	0.80	0.94	0.58	...
Claims on private sector	10.04	10.15	12.35	15.84	18.06	20.29
<u>Lebanon</u>						
Claims on Government (net)	-35	-38	-76	-150	-199	-216
Claims on private sector	602	585	709	1,002	1,108	1,137
<u>Syria</u>						
Claims on Government	188	230	234	332	486	537
Claims on private sector	469	448	569	738	750	842

Source: United Nations, Economic Developments in the Middle East, 1959-1961; International Monetary Fund, International Financial Statistics, February 1964.

a/ Data normally refer to end of year.

Table VI-3. Indices of Cost of Living and Wholesale Prices, by Country^{a/}
(1958=100)

Country and item	1957	1958	1959	1960	1961	1962	1963
<u>Iraq</u> (Baghdad)							
Cost of living, all items ^{b/}	103	100	99	102	104	104	108 ^{c/}
Cost of living, food ^{b/}	105	100	101	106	109	109	114 ^{c/}
General wholesale prices	112	100	110	114	113	110	114 ^{c/}
<u>Israel</u>							
Cost of living, all items	97	100	101	104	111	121	129
Cost of living, food	97	100	101	103	110	117	122
<u>Jordan</u> (Amman)							
General wholesale prices	94	100	102	111	96	93	...
<u>Lebanon</u> (Beirut)							
Cost of living, all items ^{d/e/} ...	96	100	103	107	107	108	109 ^{f/}
Cost of living, food ^{e/}	97	100	103	107	103	96	100 ^{f/}
<u>Syria</u> (Damascus)							
Cost of living, food ^{g/}	107	100	103	109	111	...	...
General wholesale prices	102	100	106	110	110	102	102

Source: United Nations, Monthly Bulletin of Statistics, March 1964; Jordan: Statistical Yearbook, 1962.

- a/ Annual averages, except as indicated.
b/ Unskilled labourers.
c/ Average based on ten months.
d/ Salaried employees.
e/ Including direct taxes.
f/ Average based on six months.
g/ Including soap, kerosene and cigarettes.

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