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CRITICAL ECONOMIC SITUATION IN AFRICA
DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION
SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE

Letter dated 17 October 1986 from the Permanent Representative
of Czechoslovakia to the United Nations addressed to the
Secretary-General

I have the honour to forward to you a paper entitled "Economic assistance granted by the Czechoslovak Socialist Republic to the developing countries in 1985" (see annex).

I would be most grateful if you could have this letter and its annex circulated as an official document of the General Assembly under agenda items 29, 79 and 82.

(Signed) Jaroslav CÉŠAR

ANNEX

Economic assistance granted by the Czechoslovak Socialist Republic
to the developing countries in 1985

Czechoslovakia has great understanding for the effort of the developing countries to improve their position in international economic relations, to do away with the frequent one-sidedness in the orientation of their international economic contacts, which persists as a remnant from their colonial past, and to safeguard their sovereign rights in all fields of economic relations.

On both bilateral and multilateral levels, Czechoslovakia develops economic, scientific and technological relations with developing countries on the basis of the principles of equality and mutual benefit, paying due respect to the right of the developing countries to deal with their natural resources and means of production and to choose such social system as is best suited for each respective country.

Czechoslovakia is fully aware of the complex situation faced by many developing countries and exerts considerable effort to expand assistance to those countries with the view of strengthening their economic independence, building up modern economic structures and implementing progressive socio-economic reforms.

Between 1982 and 1983, Czechoslovakia published in the United Nations documents giving data on the scope of assistance provided to developing countries during the above mentioned period. The extent of Czechoslovak assistance to developing countries and national liberation movements is documented in the following figures:

1982	3.642 billion Czechoslovak crowns, i.e. 0.74 per cent of the national income generated in Czechoslovakia in that same year
1983	3.924 billion Czechoslovak crowns, i.e. 0.78 per cent of the national income generated in Czechoslovakia in that same year

1984 4.818 billion Czechoslovak crowns, i.e.
0.90 per cent of the national income
generated in Czechoslovakia in that same year

The total volume of Czechoslovak assistance to developing countries over the said three years thus reached 12.384 billion Czechoslovak crowns, with emphasis on areas of central importance for further development of the economies of developing countries.

1985 brought especially severe hardships to the African countries. During the Special Session of the United Nations General Assembly on the Critical Economic Situation in Africa Czechoslovakia published data on its assistance to the countries of the African continent in that year revealing that the volume of Czechoslovak economic assistance to those countries amounted to 1,226 billion Czechoslovak crowns, i.e. 0.22 per cent of the national income generated in Czechoslovakia in 1985.

The national preferential scheme was further extended in 1985 to include 124 developing countries. Since 1986 all 36 least developed countries are covered by that scheme.

Czechoslovakia continues to grant developing countries various types of credits, both governmental and corporate. Governmental credits are granted for specific purposes relating to the construction of major industrial plants, with low interest rates and repayment schedules extended over long periods of time. Such credits are paid off primarily through supplies of goods, often those produced in factories built on credit within the framework of assistance programmes. The terms of some governmental credits granted by Czechoslovakia to developing countries are so favourable for the debtor States that they bring actually no profit for Czechoslovak balance of payments; in numerous cases, assistance through such credits, given their favourable terms, comes in fact close to donation of grants. In addition to governmental credits, Czechoslovakia grants developing countries also corporate credits whose volume has

been steadily growing.

By the end of 1985 Czechoslovakia built in developing countries altogether 592 major industrial plants, 54 of which are located in the least developed countries. As on 31 December 1985 additional 71 major plants were under construction, 13 of them in the least developed countries.

Of the aforesaid number, 321 plants were built in Asia, 197 in Africa and 74 in Latin America. As to the professional orientation, Czechoslovakia participated especially in investments in power engineering, food, engineering and building industries.

Beside financial resources provided to developing countries through favourable credits, it was also technical assistance that constituted a significant form of our cooperation with the developing countries in 1985.

Czechoslovakia gives emphasis to the training of workers and to the education of technical personnel and specialists at secondary and university level, knowing that these people, as the upcoming generation of the developing countries, will bear in the near future the main portion of responsibility for active implementation of the development process, leaning on their economic and specialized technical knowledge obtained in a country which has reached a high level of industrial development as well as social progress.

In 1985, 5,387 students were upgrading their professional qualifications at the expense of Czechoslovakia, out of them 1,509 from Africa, 510 from Asia, 1,135 from Arab countries and 395 from Latin America.

Another significant form of Czechoslovakia's economic cooperation with developing countries is carried out by means

of sending to those countries Czechoslovak experts, either free of charge or on the basis of contracts or sub-contracts within the framework of bilateral or multilateral relations. In 1985, 2,278 experts were working in developing countries; 157 of them were sent there through United Nations organizations.

The total volume of Czechoslovak assistance to developing countries and national liberation movements in 1985 amounts to 5.087 billion Czechoslovak crowns, which represents 0,91 per cent of the national income generated in Czechoslovakia during that year.

Czechoslovakia is ready to expand its cooperation with developing countries in the future and to share with them its experience from the spheres of planning, building of economic potentials, from the socio-economic and socio-legal fields, health care, education, science and culture as well as from cooperation within the framework of socialist economic integration.
