

\$83 million in loans for improving transportation in Latin America and Caribbean region

Haiti, Mexico, and Peru will benefit from loans recently approved by the World Bank and the International Development Association (IDA) for improving communication systems.

Haiti will receive an IDA credit of approximately US\$11 million to expand and rehabilitate the country's international port at Cap Haïtien and to build, or rehabilitate, seven other small ports. Cap Haïtien serves an international traffic of cruise ships and cargo vessels vital to Haiti's economy. This traffic is currently endangered by the deterioration in existing port facilities. The IDA credit will ensure the continuation of this traffic, and of the labor-intensive activities engendered by it, thus safeguarding the jobs of the region's population.

A \$14 million Bank loan to Mexico will help finance the preinvestment stage of a program to develop ports for four coastal areas of the country. Development of the

ports will help the Government to decentralize economic activity and growth from the central plateau and provide domestic industries with direct access to international maritime transport. The development will, in addition, help to handle the recent increase in traffic coming to Mexico by sea. The capacity of Mexican ports is no longer adequate for general cargo and nonpetroleum bulk commodities, and more than 2 million tons of the country's imports and exports are being handled annually through United States ports, with extensive overland movement. The Government has estimated that more than \$2.5 billion will be required for investments in infrastructure in the four port areas between 1980 and 1985.

In Peru, a \$58 million Bank loan will go to a project for the improvement of three regional airports in the Amazon jungle and jungle highlands which currently have inadequate transport links with the rest of the

Robert S. McNamara will retire from the World Bank, effective June 30, 1981, after having served as President of the Bank since April 1968. He will be succeeded by A. W. Clausen. Mr. Clausen's appointment becomes effective on July 1.

country. The project also includes the construction of a fourth airport, technical assistance for another, and the provision of necessary aviation equipment. The lack of adequate infrastructure and facilities has restrained the growth of Peru's commercial aviation and reduced its efficiency. Airports are frequently shut down because of poor operating conditions and many cannot handle the most economical aircraft for existing traffic volumes. The project attempts to tackle these problems.

Table 1
World Bank and IDA lending: fiscal years 1977-80
(Ending June 30)

	1977	1978	1979	1980
World Bank				
	(In millions of U.S. dollars)			
Loan amounts ¹	5,759	6,098	6,989	7,644
Disbursements ²	2,636	2,787	3,602	4,363
	(Number)			
Operations approved	161	137	142	144
Borrowing countries	54	46	44	48
Member countries	129	132	134	135
International Development Association (IDA)				
	(In millions of U.S. dollars)			
Credit amounts	1,308	2,313	3,022	3,838
Disbursements	1,298	1,062	1,222	1,411
	(Number)			
Operations approved ³	67	99	105	103
Borrowing countries	36	42	43	40
Member countries	117	120	121	121

Source: World Bank Annual Report 1980.

¹ Excludes loans to International Finance Corporation of \$20 million in fiscal year 1977. Includes amounts in fiscal year 1977 lent on Third Window terms.

² Excludes disbursements on loans to International Finance Corporation.

³ Joint World Bank/IDA operations are counted only once as Bank operations.

World Bank and IDA:
lending to countries with
annual per capita income
below \$360,
fiscal years 1971-80
(In millions of U.S. dollars)

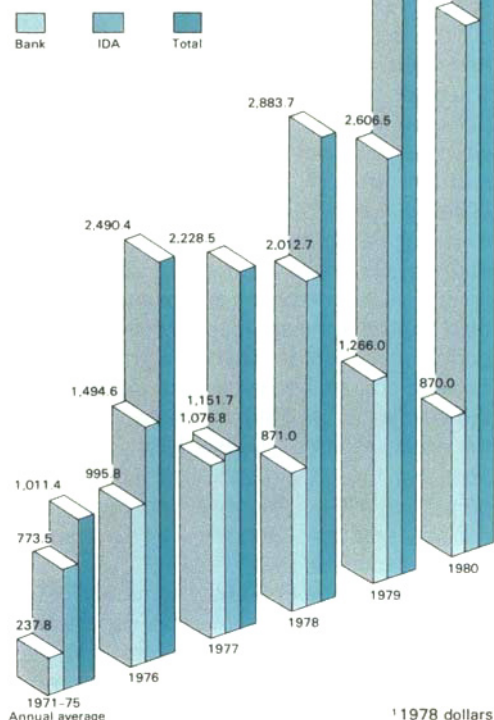


Table 2
World Bank loans approved during third quarter of fiscal year 1981
(Ended March 31, 1981)

Country ¹	Purpose	Amount (In millions of U.S. dollars)
Bahamas	Vocational education	7.0
Barbados	Power	6.0
Botswana	Roads	17.0
Brazil	Urban transport	90.0
Colombia (2)	Rural roads, power	118.0
Guyana (2)	Structural adjustment, technical assistance	15.5*
Indonesia (2)	Power, swamp reclamation	272.0
Malaysia (2)	Rice development, rural development	90.0
Mexico (2)	Agriculture, port development	294.0
Morocco (2)	Tourism, urban development	136.0
Panama (2)	Oil exploration, development banking	26.5
Peru	Aviation	58.0
Portugal	Development banking	100.0
Thailand (2)	Industrial development, development banking	38.9
Tunisia	Vocational education	26.0
Turkey (2)	Agricultural exports, development banking	80.0
Yugoslavia	Rural development	87.0
Zimbabwe	Manufacturing rehabilitation	50.0**
Total		1,511.9

Source: World Bank.

¹ Figures in parentheses are the number of loans approved for the respective country.

* With an \$8 million IDA credit.

** With a \$15 million IDA credit.

Table 3
IDA credits approved during third quarter of fiscal year 1981
(Ended March 31, 1981)

Country ¹	Purpose	Amount (In millions of U.S. dollars)
Bangladesh (3)	Technical assistance, port and rail development, development banking	91.0
Burma (2)	Grain storage, wood industries	55.0
Egypt, Arab Republic of	Fish farming development	14.0
Guinea-Bissau	Oil exploration	6.8
Guyana	Structural adjustment	8.0*
Haiti (2)	Post-hurricane agricultural rehabilitation, port rehabilitation	14.2
India (3)	Irrigation, telecommunications, tank irrigation	508.0
Kenya	Education	40.0
Malawi (2)	Secondary education, highways	74.0
Mali	Road maintenance	17.0
Nepal (3)	Irrigation, agricultural extension and research, rural development	29.0
Pakistan (2)	Vocational training, small-scale enterprises	55.0
Rwanda	Coffee production	15.0
Senegal	Forestry	9.3
Sierra Leone	Development banking	12.0
Solomon Islands	Development banking	1.5
Somalia	Primary and secondary education	10.2
Sudan (2)	Irrigation (2 projects)	67.0
Uganda	Water supply	9.0
Upper Volta	Agricultural development	16.0
Yemen Arab Republic (2)	Power, development banking	24.0
Zimbabwe	Manufacturing rehabilitation	15.0**
Total		1,091.0

Source: World Bank.

¹ Figures in parentheses are the number of credits approved for the respective country.

* With a \$14 million Bank loan.

** With a \$50 million Bank loan.

First loan to Zimbabwe

The World Bank recently approved two loans to Zimbabwe, totaling US \$103 million, to assist in the rehabilitation of the manufacturing sector and to produce more coal for use in power plants and for export. The two loans constitute the beginning of lending operations to Zimbabwe since the country became a member of the Bank in September 1980.

About \$65 million will be provided by the World Bank and its soft-loan affiliate, the International Development Association (IDA), to support the rehabilitation of the manufacturing sector.

The loan will finance the import of raw materials, spare parts, balancing equipment, and components. Only those goods needed to increase utilization of the existing manufacturing capacity will be eligible for financing under this program. Consumer goods and capital items will be excluded. Expanded production of export goods is estimated at \$50 million and the goods for domestic consumption are valued at \$300 million in foreign exchange saving. About 8,600 additional jobs are expected to be created as a result of an increase in the utilization of capacity of the manufacturing sector.

A loan of \$38 million will help finance an open cast coal mining project at Wankie, to be implemented by the Wankie Colliery Company Limited, the only coal and coke producer in Zimbabwe. The loan will be provided by the International Finance Corporation (IFC), the Bank's affiliate that promotes and assists private enterprises in developing member countries, with participation by a group of commercial banks.

This new facility is of high national priority and will produce a minimum of 3 million metric tons of coal per year. Part of this coal will be supplied to a new thermal power station, currently under construction near the mine, which is needed to prevent a serious power shortage in the mid-1980s.

Zimbabwe's immediate economic priority is to rehabilitate its economy. The Government is attempting to mobilize substantial amounts of resources very fast to remove critical bottlenecks in the economy created by the prolonged war of independence and the economic sanctions imposed on the country (formerly Rhodesia) by the international community after 1965. Both the war and the sanctions, along with increases in oil prices and two droughts, resulted in a significant decline in economic activity between 1975 and 1979. With the attainment of independence and the end of the war over a year ago, the economy once again began to grow.

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