

PER USO UFFICIO

BOLLETTINO



FOR OFFICE USE

UFFICIALE

DELLA REPUBBLICA DEMOCRATICA SOMALA

ANNO IV

Mogadiscio, 21 Gennaio 1973

Suppl. n. 4 al n. 1

DIREZIONE E REDAZIONE

**Presso la Presidenza del Consiglio Rivoluzionario Supremo
Pubblicazione Mensile**

PREZZO: Sh. So. 5 per numero — **ABBONAMENTI:** Annuo per la Somalia Sh. So. 100. Estero Sh. So. 300 — L'abbonamento richiesto in tempo stabilito, decorre dal 1° Gennaio e l'abbonato riceverà i numeri arretrati — **INSERZIONI:** per ogni riga o spazio di riga Sh. So. 2 — Le inserzioni si ricevono presso la Direzione Bollettino. L'importo degli abbonamenti e delle inserzioni deve essere versato all'Ufficio Imposte sugli Affari

SOMMARIO

—oO—

PARTE PRIMA

ATTI LEGISLATIVI ED AMMINISTRATIVI

FIRST PART

LEGISLATIVE AND ADMINISTRATIVE ACTS

LAW No. 3 of 18 December 1972 — *Budget Law for the year 1973.*

Pag. 178

PARTE SECONDA

DISPOSIZIONI, COMUNICATI, AVVISI, VARIE

N. N.

PARTE PRIMA
ATTI LEGISLATIVI ED AMMINISTRATIVI
FIRST PART
ADMINISTRATIVE AND LEGISLATIVE ACTS

LAW No. 3 of 18 December, 1973.

Budget Law for the year 1973.

THE PRESIDENT
OF THE SUPREME REVOLUTIONARY COUNCIL

HAVING HEARD the Council of Secretaries;

TAKING NOTE of the approval of the Supreme Revolutionary Council;

HEREBY PROMULGATES

the following Law:

Article 1

Budget

The Government is authorised to assess and collect, according to existing laws, all revenue for the financial year from the first of January to the thirty first of December, 1973 and to incur expenditure in accordance with the attached estimated budget amounting to Seven hundred and seventy four million, twenty five thousand, four hundred and forty Somali Shillings.

Article 2

Virements

1. The power to make virements between the heads or projects of the budget appearing under different heads is hereby delegated to the Government.

2. Notwithstanding the provision of the preceding paragraph, the Secretary of State for Finance is hereby delegated the power to allocate supplementary funds from Ministry of Finance Subhead 4.19.0 «Subventions» to any Ministry's expenditure Subhead or to any Government Agency, if and when deemed necessary, without recourse to virement or variation law.

3. The power to make virements between the subheads within the same head or project and between the projects of the same Ministry, is hereby delegated to the Secretary of State for Finance.

Article 3

Reservations

1. The Government on the proposal of the Secretary of State for Finance may reserve expenditure authorised by this law under any subhead, either in whole or in part, if it is satisfied that it is in the national interest to do so.

2. The Secretary of State for Finance may temporarily reserve expenditure for a period not exceeding three months.

Article 4

Abrogation of Fiscal Laws and Transfer of Receipts

1. With effect from 1st January 1973 the Law No. 1935 of 9th May, 1939 relating to the Tax on insurance and receipts from hospitals is hereby abrogated.

2. With effect from first January, 1973, the receipts from water and electricity are hereby transferred to the respective Local Councils.

Article 5

Entry into Force

This law shall have effect from 1st January, 1973.

It shall be included in the Official Compilation of Laws and Decrees of the Somali Democratic Republic and published in the Official Bulletin.

All persons shall be required to observe it and cause others to observe it as a Law of the State.

Mogadiscio, 18th December, 1972.

Jaalle Maj. Gen. Mohamed Siad Barre
PRESIDENT
of the Supreme Revolutionary Council

SECRETARY OF STATE FOR FINANCE
Jaalle M.Y. Weirah

GENERAL REVIEW OF ECONOMIC ACTIVITIES

The year 1972 is the third complete year since the birth of the revolution — It has also been a year of great transformation, as was stated by the President of the SRC in his message to the Nation on 21st October 1972 — «During which the structure of a backward society was transformed into a more progressive, and fair one».

Important steps designed to strengthen and consolidate the revolution, and to free our economy from the shackles of underdevelopment were taken during the year, and the masses responded with enthusiasm to the Presidents' call for sacrifice and self-reliance.

The consciousness and political awareness of our people and their unstinted self-help efforts have done a lot to offset the government's growing expenses and its commitment to the betterment of the conditions of the masses. Our achievement so far could only be sustained by the total participation and involvement of the whole nation in the development of our society.

As was stated on many occasions by the President of the SRC societies like our own, where conditions are favourable and ripe for a total change the creative capacity of the masses and its mobilization is a pre-condition for development.

The appeal to increase production, to reduce and cut down unnecessary and unproductive expenditures has been met with positive response on the part of the nation and is yielding positive results.

The productive sectors of the economy, Livestock, Agriculture, Fishing and Industry are gaining ever more strength to form a solid base for the economy of the nation.

The economy had already recovered in 1971 from the 1970 recession. Total exports rose by 19% during the year to Sh. So. 272 million and imports by 22% to Sh. So. 400 million. Government Expenditure rose by 12% with a corresponding rise in employment as a result of an increase in Government investment and the introduction of the Crash Programmes. The forecast for 1972 indicates a continuation of this growth.

In pursuance of the Governments' policy to achieve an equitable distribution of income, the 1973 Budget provides a sum of Sh.

So. 3,000,000 to augment the remunerations of the Crash Programme Volunteers, as well as a sum of Sh. So. 450,000 to cover the 5% difference in the salaries of the A scale personnel.

Provisions has also been made for covering the cost of free medicare at the hospitals where hospital fees have been abolished.

Although Government Revenue had made considerable progress during the last few years, much remains to be done in that aspect, specially in the rationalization of the fiscal system and its adaptation to the real, prevailing conditions of the country.

It is no longer tolerable that in a country like ours the most easily assessable incomes, salaries etc should be those that are subjected to fiscal pressure, for if this trend is not checked and modified, it will continue to reward the tax evaders, and punish those who because of the very nature of their incomes cannot avoid the burden of taxation. The end result of such a situation would naturally be a widening of the gap of income distribution.

The improvement of the assessment and collection methods of Revenue is a priority with the Ministry of Finance if it has to assure funds for the financment of government investments.

No less important than the improvement of Revenue collection, is the streamlining of expenditure control, and its adaptation to the development needs of the country.

It was in order to effect a gradual improvement of our fiscal system and our administrative practices in general, that the system of pre-check by the Accountant General's Office on all payments made by the various Ministries, was abolished in 1972, while on the other hand the offices' control over the finances of the regions and districts was strengthened, in order to instil the tenets of public finance in the minds of Local Government Administrators.

Towards this end the Accountant General's Office will extent its activities to the Local Government Councils. Since the Budgets of the Councils are now included in the Central State Budget, all payments and receipts effected by them will from 1973 onwards be effected through the competent Regional Accountants or District Sub-Accountants. This will give the Government control over the finances of these Councils, by channeling them towards national priorities.

R E V E N U E

1. The State Budget for 1973 will provide the necessary financial resources for the Programmes to be implemented in the coming year, aimed at general economic development, the improvement of Public Education, the Health Services and the enhancing of the country's Defence potential.

Revenue amounting to Sh. So. 774.025.440 and Expenditures of Sh. So. 773.176.690 are provided under the 1973 Budget.

Estimated Revenues for fiscal year 1973 will increase by Sh. So. 267.025.440 or by 52.6% over the 1972 figure.

Maintaining a healthy trend in the balance between Revenue and Expenditures in our Ordinary Budget, achieved in the first year of our Revolution, Ordinary Revenues will not only be in a position to cover the current expenditures entirely, but will contribute more to the annual plan than was envisaged under the Short Term Development Programme.

The spectacular rise in the Revenue Estimates is mainly due to the large contribution being made by the Public Agencies and Enterprises into the Central State Budget, and the inclusion there in of the resources of the Regional and District Councils thereby combining our resources in a Unified Budget for the first time. Local resources will amount to Sh. So. 456.900.000 in 1973, registering an increase of Sh. So. 79.900.000 or 21.5% over those of 1972.

The strengthening and stream-lining of the Public Sector of the economy has resulted in the impressive tenfold increase in the contribution of the Public Agencies to the national economy.

Revenue from all Public Property amounted to Sh. So. 2.000.000 in 1969; Sh. So. 6.700.000 in 1970; Sh. So. 8.000.000 in 1971; Sh. So. 30.800.000 in 1972; and is estimated at Sh. So. 68.500.000 in 1973.

Government share from the net Profit of the Public Agencies is expected to reach Sh. So. 30.800.000 during the same year.

However, despite this great contribution being made into the national economy by these bodies, amply demonstrated by the fact that the share of incomes from Public Property in the total revenue for 1973 will amount to 15% against 2% in 1970, certain agencies and Enterprises need to raise their standard of efficiency by curtailing unnecessary expenditures. The loss of Sh. So. 3.900.000 sustained by the Somali Airlines in 1971 is to be attributed mainly to wastefulness. The same reason has been found to be the cause of the loss incurred by the National Banana Board and the fall in the sugar production in 1971-1972.

It is the duty of the management and workers of these Enterprises to undertake all reasonable measures that would render their concerns profitable, and in a position to contribute to the economic development of the country.

The share of Indirect Taxes within the total revenue has decreased 74.9% in 1971 to 59.1% in 1973, while Direct Taxes will also decrease from 10.2% of total revenues in 1971 to 9.5% in 1973, although they will increase by Sh. So. 9.000.000 over the 1971 figure.

This situation proves that the efforts of the Ministry of Finance directed towards the achievement of the maximum mobilization of

financial resources in the State Budget, through the creation of a powerful public sector in the national economy and the effecting of continuous improvements in the relations between the Public Bodies and the State Budget are already yielding commendable results.

3. Assistance in the form of grants and long term credits from friendly countries and International Organizations total to Sh. So. 241.425.440 in 1973. Out of this Sh. So. 95.430.250 will be in the form of grants, and Sh. So. 145.695.190 will be long term credits.

The Italian Budgetary Aid is expected to amount to Sh. So. 13.700.000, that is, the same amount that was extended in the previous year.

EXPENDITURE

4. Total Expenditure under the 1973 Budget is estimated at Sh. So. 773.176.690 and has increased by Sh. So. 266.176.690 or by 52.5% over the 1972 figures.

Local Government expenditures shown under the Central State Budget for the first time as a result of the Governments' policy to strengthen the Ministry of Finance's role in the mobilization of the financial resources of the State and their proper utilization, will amount to Sh. So. 52.000.000 in 1973.

Ministerial allocations under the 1973 Budget total Sh. So. 396.145.640 compared with a total of Sh. So. 343.722.000 in 1972.

The comparative table shown below demonstrates that although appropriations under personnel emoluments and Property and Services have increased, their rate of increase is minimal compared with that of allocations under capital investments. The latter provisions have increased 7 fold in 1973.

The Ministry of Finance has made a provision of Sh. So. 15.000.000 under the 1973 Budget aimed at increasing the Government's share in the capital of the Somali Development Bank, in order to enable the Bank to contribute to the Government's development efforts by providing wider credit facilities.

In pursuance of the Governments' policy to achieve an equitable distribution of the national resources, and because of the importance that the Revolution attaches to the development of rural areas, a sum of Sh. So. 7.000.000 has been allocated under the 1973 Budget, to be channelled through the Somali Development Bank, as a Development Fund for the rural areas. The sum will be appropriated outside the Rural Development Department Budget, and will be utilized partly as a direct grant to these areas, and partly to cover and offset the high rates of Interest of the loans that the Development Bank extends to them.

A sum of Sh. So. 15.000.000 is provided for Public Debt Servicing in 1973. Out of this the sum of Sh. So. 10.000.000 will cover the amortization of Foreign Debts.

THE SHORT TERM DEVELOPMENT PROGRAMME 1971-1973

In the Short Term Development Programme, the Central Government has to provide 61 million for the two years 1972-1973.

In the 1972 Budget the Government made a contribution of about 49 million from its surplus on current revenues, with a further 10 million in the form of internal borrowing by the Government and 12 million being the depreciation fund of the nationalized concerns channelled also towards the Programme, thus bringing the total contribution from internal resources allocated to the STDP in 1972 to 71 million, 10 million more than the total government contribution for two years, envisaged under the Development Programme.

In 1973 the share of Government in the Development expenditure will be about 84 million. Out of this the sum of Sh. So. 60.005.610 will be the contribution from its surplus on current revenues and Sh. So. 13.600.000 will be the Government Development Fund, and Sh. So. 10.000.000 will be raised through Government Domestic Borrowing.

Total outlay on Development Projects will come to Sh. So. 325.031.050 in 1973. Breakdown by sources is as follows:

Government	83.605.610
Foreign Grants	145.695.190
Foreign Grants	95.664.250
Domestic Grants	66.000

	325.031.050

It should be stated here that Projects for which no provision was made under the STDP are included in the Annual Plan and that for some projects more than made provision for in the STDP has been provided.

BUDGET 1973
S U M M A R Y

Revenue and other receipts	774.025.440
Expenditure: A — Ordinary	396.145.640
B — Development Programme	325.031.050
C — Local Government Councils	<u>52.000.000</u>
	773.176.690
Surplus	<u>848.750</u>
	774.025.440
Revenue	457.000.000
Ordinary Expenditure	<u>396.145.640</u>
Surplus	<u>60.854.360</u>
Government Contribution to Development Programme	60.005.610
Development Fund	13.600.000
Grants	95.730.250
Public Debt (Foreign)	145.695.190
Public Debt (Domestic)	<u>10.000.000</u>
Total Revenue and Other Receipts for Development Programme	<u>325.031.050</u>

AGRICULTURE AND LIVESTOCK

5. The Government is engaged in implementing the Agriculture and Livestock Development Programmes, aimed at:

- Meeting the people's need for food-stuffs and the achievement of Self-sufficiency in grains;
- Supplying the present industries with raw materials;
- Securing the further expansion of the processing Industries;
- Ensuring an export market for the farm produce and animal products.

The outlays for financing the above-mentioned programmes in 1973 can be expressed in the following comparative table:

1.000 Shs.

Description	Actual 1971	Estimate 1972	Estimate 1973	% 1973-1971
a) Estimate under the Ordinary Budget	5.556.7	4.424.0	5.082.7	91.4%
b) Estimate under the Develp. Programme	3.943.5	19.737.0	32.548.0	7 fold
Total	9.500.2	24.161.0	37.630.7	4 fold
Share in total budget Expenditure (excluding Local Government) con- tributions and foreign grants	2.7%	5.8%	7.8%	—
c) Foreign Contributions under the Develop- ment Programme	—	5.838.4	33.300.0	
Grand Total	9.500.2	29.999.4	70.930.7	7.5 fold

Description	Actual 1971	Estimate 1972	Estimate 1973	% 1973 1971
LIVESTOCK				
a) Estimates under the Ordinary Budget	4.475.7	3.791.0	4.160.0	93%
b) Estimate under the Develop. Programme	2.277.8	6.487.0	6.745.1	3 fold
Total	6.753.5	10.278.0	10.905.1	161%
Share in total expenditure	1.9%	2.4%	2.2%	—
c) Foreign contributions under the Development Programme	—	—	5.000.0	—
Grand Total	6.753.5	10278.0	15.405.1	2.3 fold
Total Agriculture plus Livestock	16.253.7	40.277.4	86.835.8	5.3 fold

Allocations from internal resources for these two sectors have increased 4 fold in Agriculture and by 61% in Livestock over the 1971 figures. Their shares in total expenditure of the budget are gradually increasing, particularly with regard to Agriculture.

As is clear from the above data, ordinary expenditure allocated to these Ministries is decreased in 1973 as against 1971, by diminishing the contributions (4.0.0.) to the Ministry of Agriculture and services (2.0.0.) to be rendered to the Livestock Ministry.

6. The total amount of capital investment envisaged under the budget will be appropriated as follows:

— So. Sh. 65.848.000 for Agriculture or So. Sh. 42.044.500 more than was provided in 1972:

— So. Sh. 11.745.120 for the Livestock or So. Sh. 5.258.120 over the 1972 provision.

In addition, the national agencies attached to these Ministries, Local Councils and co-operative communities will spend over So. Sh. 26.000.000 for financing the expansion and improvement of these branches, either from their own resources or in the form of bank credits.

7. A sum of So. Sh. 11.000.000 is allocated under the Ministry of Agriculture and Livestock for the financing of the Crash Programmes in 1973 while So. Sh. 450.161 is provided for the construction and improvement and maintenance of irrigation works (dams, embankments, canals etc.).

8. During June-July 1973 the Fano'e Project for which the Government has allocated the sum of Sh. So. 12.000.000 will commence. The Project will be implemented with the assistance of USSR.

The Balaad Irrigation Project under which 10.000 hectares will be cultivated is also planned to start in 1973. The People's Democratic Republic of Korea will provide the necessary technical assistance and know-how to implement the project.

9. In 1973 great attention will be given to the organizing of Agricultural co-operatives. In the course of the year 25 co-operatives aimed at producing Agricultural products and raw materials for industry will be set up. The implementation of this programme should be made possible by financial aid to be rendered by the Government and Local Councils.

The creation of co-operatives will serve as a stepping stone towards fundamental social changes based upon socialist principles and will enhance the mechanized cultivation of vast farm lands.

10. This will entail the setting up of and creation of a technical base for Agriculture.

At present the ADC is the only public organisation capable of carrying out mechanized operations in the field of Agriculture. The development of Agricultural production will depend to a large extent on the provision of a sound technical base and the expansion of the activities of the ADC.

It was in order to achieve this base that during 1972 repair shops for agricultural implements and machinery were set up at the ADC stations in Giamama, Giohar, and a Central Workshop will be put into operation in Mogadiscio before the end of the year. In 1973 Repair Shops will be set up in Afgoi, Shalambot and Hargeisa Stations.

11. With regard to the Livestock Sector, priority is given to the improvement of the existing veterinary Services, the intensification of animal health, the expansion of the joint-rinderpest campaign and parasite treatment centres. Wildlife preservation and

Re-afforestation and Range management are also given due consideration. An outlay of Sh. So. 2.840.250 is provided for these activities under the 1973 Budget.

Great attention is also given to the training of personnel for these services. A sum, therefore, of Sh. So. 653.880 has been allocated to the school for Animal Health Assistants in 1973, while Sh. So. 1.000.000 is appropriated in 1973 for the establishment of a Veterinary College.

A sum of Sh. So. 5.700.000 has been allocated to the development of the Trans-Juba Livestock Project, to be financed with aid from the International Development Association.

I N D U S T R Y

12. The expansion of Industry, and the raising of the efficiency and profitability of the existing enterprises is of prime importance to the national economy. The creation in future of an industrial base for the National economy will enable the country to meet the vital needs of the people. These aims are amply formulated by the President of SRC Jaalle Mohamed Siad Barre in most of his speeches.

In response to these tasks, the 1973 State Budget provides the Ministry of Industry with the appropriations shown in the comparative table below:

1.000 Sh.				
Description	Actual 1971	Estimate 1972	Estimate 1973	% 1973 1971
a) Personnel Emoluments and property and Services	752.5	842.0	992.0	131%
b) Development Projects financed from the budget	841.0	3.240.0	10.067.0	12 fold
Total	1.593.5	4.082.0	11.059.0	7 fold
Share in total expenditure of the Budget	0.5%	1%	2.3%	—

Description	Actual 1971	Estimate 1972	Estimate 1973	% 1973 1971
c) Development Projects financed from foreign contributions	1.000.0	8.195.0	10.531.4	10 fold
Total Expenditure	2.593.5	12.267.0	21.590.4	8 fold

13. The above indicate, firstly, that the share of the Ministry of Industry allocations in the total State Budget expenditures increased within the 3 year plan period from 0.5% to 2.3% or over 4 fold. We are aware that this is not very impressive especially with regard to such a vital sector of our economy, but it is expected that this steady rise in the appropriations to Industrial Development will in future continue to rise at a higher rate.

Secondly it can be inferred from these figures that, while administrative expenses have increased by 31% in ten years capital outlays have increased 12 fold.

14. In 1973 the sum of Sh. So. 20.598.000 composed of both internal and external contributions, has been allocated to finance the following projects:

- Foundry Project Sh. So. 6.617.000.
- Gypsum plant construction Sh. So. 2.331.400.
- Investment in Development of Fisheries Sh. So. 4.450.000.
- Replenishment of the working capital of existing enterprises Sh. So. 6.200.000.
- Small scale industries Sh. So. 1.000.000.

A fruit processing factory nearing completion at Afgoi and financed by the Somali Development Bank, a carton factory at lower Giuba, a Grain Mill at Mogadiscio, and the Cigarettes and Matches Factory at the Capital are not allocated any funds under the Central Budget.

It's necessary to point out, that under the Short Term Development Programme only some Sh. So. 15.950.000 was allocated for the development of Industry.

The actual data for 1971 and 1972 show, that the targets envisaged are not being fully attained. In 1972 development projects were allocated Sh. So. 3.240.000 from internal sources and the actual expenditure are expected to come to the amount of Sh. So.

1.057.000. At the end of the year therefore, the Ministry of Industry should make all efforts in order to realise the accomplishment of the annual targets, otherwise the planned rate of growth of the production capacities in the economy, will not be secured.

15. The volume of production output at public industrial enterprises is increasing from year to year, thus in 1971 it comes to Sh. So. 94.077.000, in 1972 Sh. So. 115.702.000, in 1973 Sh. So. 124.723.000, which means that it has increased by 33% during the three year plan period.

16. The Kismayo Meat Factory, one of the industries with the highest rate of growth has produced 11.922.295 tins of stewed steak in 1971, and is expected to produce 17.000.000 tins in 1972. In the factory's 1973 programme it is planned to produce 18.000.000 tins of meat products of which 3.000.000 cans of «Corned Beef» will be in trapezoidal tins. Sales proceeds will increase from Sh. So. 16.316.000 in 1971 to Sh. So. 35.013.000 in 1973. 96.8% of these proceeds will be export earnings.

To increase the Factory's production capacity it is envisaged to invest the sum of Sh. So. 4.360.000 in the construction of a second parallel line for the production of Stewed Steak and Corned Beef, the construction of a Tannery and the expansion of the Cooling Chambers. It is expected that the losses incurred by the Factory during the start up period would have been covered by the 1972 profits, and the factory is envisaged to contribute to the Central State Budget in 1973 Sh. So. 1.790.000 as Turn Over Tax; Sh. So. 2.538.000 as profit share and Sh. o. 1.139.000 as Depreciation funds to be computed to the Government Development Fund.

Further more, the Factory will set up a Reward Fund of Sh. So. 141.000 and will allot a further sum of Sh. So. 141.000 for housing and socio-cultural activities and for the improvement of the conditions of the workers.

17. ENEE is taking a turn for the better from year to year. The electric energy supply to consumers in 1971 came to 16.722.498 kilowatt-hours, — 18.112.500 Kw/h. in 1972, and is expected to reach 22.200.000 Kw/h. in 1973.

This will constitute an increase in capacity of 32% as against 1971. ENEE has now been equipped with two new diesel generators, each of 2.300 Kw/h. capacity, purchased through bank credit. It is necessary to underline, that ENEE's administration is gradually raising the power-station capacity, establishing electro-transmission lines, electrifying the city by its own resources without any state contributions. It is to be noted that ENEE annually increases its payments to the budget, that is; it transferred Sh. So. 623.802 to State Budget in 1971 — Sh. So. 2.743.000 in 1972 and will contribute Sh. So. 4.432.000 in 1973. In addition E.N.E.E. will create in 1973 the incentive Fund to which it will contribute the

sum of Sh. So. 399.000. A part of this amount will be appropriated for housing construction to meet the workers and employees' needs.

The expected expansion of the capital and the constantly increasing number of industries around the city, as well as the need to reduce the cost of electricity, may make it necessary to establish a new power station in the near future.

18. The Ministry of Finance has not so far obtained the balance sheet of the Somali National Agrarian-Industrial Agency on its financial activities in 1971. We are aware of the fact that the output of sugar has not increased during the last two years. The Ministry of Industry should take serious steps to better the Industries' Administration.

19. The Fish Factory in Las-Koreh has twice come under the danger of natural calamity. Due to the collective efforts of the management and workers however, the enterprise is now ready to start production again.

The problem of providing the factory with industrial fish, is a subject under consideration by the Government at present and will be solved radically by the introducing of up-to-date fishing methods that would provide the factory with raw materials for the whole year.

Out of the budget the sum of Sh. So. 4.450.000 is allocated for the expansion and improvement of the Fishing Industry in 1973.

Somaltex because of reasons well known by now to all the interested parties is not producing the desired results. The factory accumulated a loss of about Sh. So. 17.3 million in 1971. In the general meeting of September 1972, the Government informed the share holders that we were willing to contribute a sum of Sh. So. 10 million to the further improvement and development of the factory provided that the German Partners were prepared to extend the same amount. Discussions along these lines are going on.

The Ministry of Finance is not, at the moment in a position to inform the government on the financial position of the Milk Factory for the reason that no accounting procedure has been established there yet, nor did the management of the factory submit any statement so far.

20. The turn-over tax estimates from all state Industries for the year 1973 total Sh. So. 4.230.000 and the total profit share is estimated at Sh. So. 8.255.000.

The Ministry of Industry should establish proper control over the enterprises' activities, and render them proper assistance in attaining efficiency in production, in the maximisation of the productivity of labour, in cutting production costs and in the curbing

T R A D E

21. The Ministry of Commerce's responsibility has vastly increased since the assumption by ENC of the importation and marketing of all food-stuffs.

In the 1973 Budget, the Ministry of Commerce's Budget will be increased from Sh. So. 767.000 in 1972 to Sh. So. 1.869.750.

ENC's proceeds have been estimated at Sh. So. 225.665.000 in 1972, and are expected to reach Sh. So. 352.018.000 in 1973, a 56% increase. The Agency trade is mostly financed through Bank Credit.

The Agency made a profit of Sh. So. 1.378.000 in 1971; Sh. So. 15.199.000 in 1972, and will make an estimated profit of Sh. So. 16.996.000 in 1973.

In order to provide the Agency with a capital base an initial sum of Sh. So. 1.000.000 will be left at its disposal, and the additional sum of Sh. So. 7.120.000 will be set aside from its profits.

The Agency will create an Incentive Fund of Sh. So. 500.000 in 1973 as stipulated by the Law on the Finance of Public Enterprises and Agencies.

22. The activity of the National Petroleum Agency is worthy of note. The Agency has drawn up the plans of its commercial and financial activities both for 1972 and 1973. In 1972 the planned rate of growth of sales proceeds and services rendered will be more than fulfilled. The sales proceeds will total Sh. So. 72.405.000. In 1973 total sales proceeds are expected to reach Sh. So. 84.359.000.

The commendable activities of the Agency are amply illustrated by the financial contributions it made and is expected to make to the State Budget, as the table below shows:

	1.000 Shs.				
Description	Actual 1971	Revised 1972	% 72-71	estimate 1973	% 73-72
Income Tax	1.887	2.364	125.2%	—	—
Turnover Tax	—	—	—	2.700	—
Profit	3.416	4.582	134.1%	6.877	150%
Profitability	4.9%	5.9%	—	8.1%	—

It is important to point, out, that the increase in the Agency's Profits is mainly due to the efficiency of its personnel and to the fact that commercial expenses have been greatly curtailed.

The Agency's estimated profit of Sh. So. 6. 877.000 in 1973 will be distributed according to the stipulations of the Law on the Finances of Public Enterprises and Agencies, and will be distributed as follows:

— Increase in proper working capital	690.000 Sh. So.
— Creation of reward fund (incentive)	344.000 Sh. So.
— Creation of socio-cultural and housing fund	480.000 Sh. So.
— Non-centralized capital investments	140.000 Sh. So.
— Allocations to the budget	5.223.000 Sh. So.

A sum of Sh. So. 900.000 will be set in 1973 as a Depreciation Fund to cover the necessary repairs of the Agency's Current Assets, and a Bank Credit of Sh. So. 2.5 million will be extended to the Agency's Development needs.

MINERAL AND WATER RESOURCES

23. The Government attaches great importance to the surveying and utilization of the mineral and water resources of the country.

The proper exploitation of mineral and under-ground water deposits which have already been surveyed, will have a great influence on the economic development of the country and will reduce mass unemployment.

The implementation and financing of the water Development Projects is undertaken mainly by the Central Government with contributions from the United Nations. The Local Government Councils also contribute much towards these schemes in the form of funds and through Self-help efforts.

24. The 1973 Budgetary allocations of the Ministry of Mineral and Water Resources are illustrated in the comparative table shown below. Funds for the construction of wells, Barakas and Wells are also appropriated under the Budget of the Rural Development Department of the Ministry of Interior.

The comparative table placed below shows the Ministry's Budgetary allocations during the three year plan period:

1.000 Shs.

Description	1971 Actual	1972 Estimate	1973 Estimate	1973-1971 %
a) Administr. Expenses	169.3	315.0	265.0	157%
b) Water Development Agency	1.398.7	5.685.0	5.830.0	417%
c) Start Term Development Programme. (Government)	867.8	9.246.0	6.349.3	7 fold
Total	2.435.8	15.246.0	12.444.3	5 fold
Share in total expenditure of the Budget	0.7%	3.7%	2.5%	—
d) Foreign Aid	36.434.0	32.615.4	845.5	—
Grand Total	38.869.8	47.861.4	13.289.8	—

The Mogadiscio Water system is expected to be completed very soon. The Hargeisa water system which is being financed and implemented outside the Central Budget by the People's Republic of China is also nearing completion.

25. Provision under Head 11, Public Works comes to the impressive figure of Sh. So. 157.682.200 in 1973. Most of the funds allocated under this head are developmental in nature. In fact Ordinary expenditures under the Ministry's Budget have been greatly curbed.

The Ministry now undertakes all governmental construction and maintenance work.

The Ministry has completed the construction of the Juba Hotel in 1972, financed totally through internal resources, and is presently completing the Giohar-Bula Berti road for which a sum of Sh. So. 5.000.0400 is allocated in 1973.

The construction of the Hargeisa-Berbera Highway has already started and feasibility studies for Golwyn-Gelib and Burao-Berbera are underway.

26. The sum of Sh. So. 12.744.860 will be spent on the on going construction of the Kismayo Airport in 1973, and the Beletwein-Burao-Highway being constructed outside the Budget by the People's Republic of China will enter its first phase in 1973.

27. The construction of the Mogadiscio Deep Water Harbour is expected to commence in 1973. The Port will be financed jointly by a credit from the International Development Association, and a grant from the European Development Fund.

The comparative table below shows the Ministry's allocations during the three year plan period:

Description	1.000 Shs.			
	Actual 1971	Estimate 1972	Estimate 1973	% 1973/1971
a) Ordinary expenditure	17.205.3	13.070.0	13.028.5	76%
b) Construction (3.0.0.)	10.9	100.0	12.200.0	—
c) Financing of Development Programme from the Budget	11.618.8	14.315.0	8.438.8	72%
Total	28.835.0	27.485.0	33.667.3	117%
Share in total expenditure of the budget	8.2%	6.6%	7.0%	—
d) Financing of the Development Programme from foreign contrib.	15.503	31.796.3	124.014.9	8 fold
Total	44.338.9	59.281.3	157.682.2	3.5 fold

TRANSPORT, POSTS AND TELECOMMUNICATIONS

28. Economic development is dependent on the creation of an adequate infrastructure, transport, and efficient posts and Telecommunication Services.

Although the two Ministries of Transport and Posts and Telecommunication are two separate heads the connection between these two services is all too obvious. They both play a very important role in a country like Somalia where great distances separate the urban and rural centres of the nation.

The 1973 allocations of the two Ministries are illustrated in the following comparative tables:

1.000 Shs.

Description	Actual 1971	Estimate 1972	Estimate 1973	% 1973-1971
<i>The Ministry of Transport Administration:</i>				
a) Ordinary Budget	10.315.5	13.312.0	14.830.0	144%
b) Short Term Development Programme (Government)	—	1.065.0	1.814.3	170%
Total	10.315.5	14.377.0	16.644.0	161%
Share in total expenditure of the budget	2.9%	3.4%	3.4%	—
c) Short Term Development Programme (Foreign)	—	5.267.4	—	—

Description	Actual 1971	Estimate 1972	Estimate 1973	% 1973-1971
Grand Total	10.315.5	19.644.4	16.644.3	161%
<i>The Ministry of Posts & Telecommunications:</i>				
a) Ordinary Budget	8.276.1	5.514.0	6.870.6	83%
b) Develop. Programme (Government)	1.141.0	3.297.0	2.098.0	184%
Total	9.417.1	8.811.0	8.968.6	95%
Share in total expenditure of the budget	2.7%	2.1%	1.8%	—
c) Short Term Develop- ment Programme (Foreign)	8.103.4	2.150.0	20.625.0	2.5 fold
Grand Total	17.520.5	10.961.0	29.593.6	167%

29. The 1973 Current Budget of the Ministry of Transport provides the sum of Sh. So. 2.267.270 for the purchase, running and maintainance of Government vehicles.

A national Shipping Line, instituted under the Ministry is expected to go into operation in 1973.

Upto now major enterprise under the Ministry of Transport remains to be the Somali Port Authority, whose activities are expanding over the years. The SPA contributed a sum of Sh. So. 12.437.620 from its 1971 earnings to the State Budget. The authority's total earnings are expected reach Sh. So. 35.000.000 in fiscal year 1973.

Unlike the port authority the Somali Airlines keeps accumulating losses. The Agency sustained a loss of Sh. So. 3.945.684 in 1971.

The major part of this loss is attributed to administrative inefficiency and unnecessary expenditure incurred by the Airlines.

Analysis of the balance sheet of the Airline indicates that with efficient management of its finances and with the curbing of overhead costs the Agency could easily lower its losses.

30. In 1973 the sum of Sh. So. 2.098.000 is allocated for the construction of a New Postal Headquarters, the expansion of the Mogadiscio Telephone net work and the expansion of the Telex Printer System.

The European Economic Community extended a sum of Sh. So. 20.625.000 in the form of a grant for the financment of a new Telecommunications Project.

EDUCATION, HEALTH LABOUR AND SPORTS, INFORMATION AND NATIONL GIUDANCE

31. The most important goal of a socialist society is to meet the material and spiritual needs of the people.

The implementation of this aim is promoted by more and more allocation from the Gross National Income being invested in the financing of the social services (namely Health, Education and Sports. Global allocations under these services came to Sh. So. 44.994.527 in 1971; Sh. So. 59.328.000 in 1972 and estimates for 1973 are Sh. So. 71.282.820.

Under the 1973 State Budget the appropriations for the financing of social services are allocated as follow:

1.000 Shs.

Description	1971 Actual	1972 Estimate	1973 Estimate	1973-1971 %
<i>Ministry of Education:</i>				
a) Ordinary Budget	19.886.2	21.614.0	27.894.2	140%
b) Short Term Develop- ment Programme (Government)	1.454.6	4.723.0	9.116.2	6.2 fold
Total	21.340.8	26.337.0	37.010.4	173%
Share in total expendi- ture of the budget	6.1%	6.3%	7.7%	—

Description	Actual 1971	Estimate 1972	Estimate 1973	% 1973/1971
c) Short Term Development Programme (Foreign)	4.440.8	6.300.0	22.804.8	5 fold
Grand Total	25.781.6	32.637.0	59.825.2	2.3 fold
<i>Ministry of Health:</i>				
a) Ordinary Budget	21.649.3	26.000.0	28.863.0	133%
b) Short Term Development Programme (Government)	2.004.4	5.882.0	4.020.8	2 fold
Total	23.653.7	31.882.0	32.883.8	139%
Share in total expenditure of the budget	6.7%	7.6%	6.8%	—
c) Short Term Development Programme (Foreign)	—	—	24.237.9	—
Grand Total	23.653.7	31.882.0	57.121.7	2.4 fold
<i>Ministry of Labour and Sports:</i>				
Total expenditure	—	1.109.0	1.388.6	125%
<i>Ministry of Information and National Guidance</i>				
	5.346.0	6.792.0	8.516.8	159%
Total Expenditure (Ministry of Education, Health, Labour and Sports, Information and National Guidance)	54.781.3	72.420.0	126.842.3	2.3 fold

As is shown by the above data, the bugetary allocations of the Ministries of Education, Health, Labour and Sport, Information and National Guidance are increasing at a great rate. Their share in total expnediture is also growing.

Besides these the appropriations of the sum of Sh. So. 9.923.000 from the proceeds of Public Enterprises will be spent on social insurance and socio-cultural arrangements. These figures give evidance of the Goevrnment's policy towards the development of public Education and culture, Health improvement, and the organization of a social insurance system in the country.

32. With the Introduction of a written script for the Somali Language it has become imparative that this script be rapidly developed and that it should be spread among the populace as quickly and efficiently as possible. A sum of Sh. So. 3.000.000 is appropriated for this purpose under the 1973 Budget, while Sh. So. 4.307.770 is allocated for the construction of new primary secondary schools.

33. The health of our youth and hence sports has been given due attention since the birth of the 21 October Revolution. The Ministry of Labour and Sports has been playing a prominent part in the promotion of sports both in the capital and in the regions. The Ministry is allocated the sum of Sh. So. 279.600 over its 1972 appropriations in 1973.

34. Allocations under the Ministry of Health have risen from Sh. So. 23.653.720 in 1971 to Sh. So. 57.121.700 in 1973.

Apart from the expansion and intensification of the ongoing projects and activities of the Ministry, ie. Health Personnel Training Centres, the Nursing School at Mogadiscio, the Medical College, Tuberculosis Control, smallpox eradication, malaria pre-eradication and the construction of Rural Health Centres and Hospital Wings, the construction of a Teberculosis Hospital estimated at Sh. So. 24.237.850 will commence in 1973 with a grant from the Gulf States.

35. In a country like Somalia where great distances separate the main centres of population, broadcasting is the most important medium of communication, and the Revolutionary Government contrives to give special attention to the Ministry of Information and National Quidance.

With the nationalisation of all the printing press in the country the National Printing Agency is now in a position to cater for all Government needs, and the other important services of the Ministry namely SONNA, the Broadcasting Service and the press are playing their role in informing and guiding the masses.

The Ministry's Budgetary allocation have risen from Sh. So. 6.792.000 in 1972 to 8.516.800 in 1973.

THE PUBLIC SECTOR OF THE NATIONAL ECONOMY

36. One of the aims of the Revolution, the creation of a socialist economy, is embodied in the creation of a strong public sector of the economy and in its development.

The initiation of this process was encouraged by the nationalization, in May 1970, of a number of private industrial, and commercial enterprises and banks, which, jointly with some public industrial enterprises previously owned by the government, laid down the foundations for the creation of a strong public sector of the National economy.

In 1971 and 1972 this process has in particular spread over to the field of trade. As a result, in 1972 the amount of sales proceeds and services generated by the public enterprises totaled Sh. So. 885.467.000.

In 1973 it is estimated that the sales proceeds of these enterprises will reach Sh. So. 1.175.980.000 or 33% over the 1972 figures. The sales proceeds of industrial public enterprises will amount to Sh. So. 125.000.000, that of trade — Sh. So. 977.000.000, and that of public transport Sh. So. 49.000.000.

The total profit and turnover tax is estimated at Sh. So. 125.351.000, of which Sh. So. 99.751.000 should be allocated to the budget and Sh. So. 25.600.000 kept by the enterprises to accumulate and increase their proper working capital, to create incentive funds, and to finance capital investments.

It's necessary to point out the considerable contributions of the banks to the development of the public sector of the economy, and in the creation of new public enterprises and agencies, by providing them with working capital in the form of Bank Credits.

In accordance with the law pertaining to «Finance of Public Enterprises and Agencies», which was approved by the Government and which is to come in to force from 1 January 1973, most of the enterprises have compiled their 1973 plans for production output and sales proceeds, the purchasing and selling of consumer goods, capital investments and financial plans.

This planning of the economic and financial activities of the public enterprises and Agencies should lay the foundation for the preparation of Five-year plans at every level of the public economy.

37. The activities of some of the Public Enterprises have been amply illustrated in previous pages of this report.

Of those that have not been mentioned yet, the National Banana Board is gaining an ever more important role in the national economy.

The Board's sales proceeds are expected to reach Sh. So. 346.000.000 in 1973 against Sh. So. 260.000.000 in 1972.

The increase is mainly due to the extension of the under Banana cultivation. A sum of Sh. So. 19,223,000 has been allocated for the expansion of the cultivated area.

It is estimated that the Board will make a profit of Sh. So. 4,440,000 in 1973 and that it will be in a position to cover the 1971 losses from their 1972 profits.

The sales proceeds of the Board are not very encouraging due to unfavourable world prices which are expected to grow more unfavourable, and the Board should cut down its administrative expenses to counter this. This is all the more necessary as in 1972 the Board's commercial Expenses (less purchasing expenditures) constituted 80% of its total sales proceeds.

Under the Board's 1973 Financial Plan, the Ministry of Finance has stipulated, that since the Agency's activities are presently financed through Bank Credits, the sum of Sh. So. 1,000,000 from its profits should be set aside as a base for the creation of a proper working capital for the Agency, and the sum of Sh. So. 666,000 as an incentive fund.

38. In 1972 a State Monopoly Agency for the purchase and sale of matches and tobacco was established. Its activities are grounded upon self-supporting principles. After the launching of the cigarette and matches factory, both the factory and the tobacco growing plantations will be parts of the Agency.

The sales proceeds from those articles in 1973 are estimated at Sh. So. 55,000,000. In 1971 these proceeds were Sh. So. 41,992,000, and in 1972 — 49,000,000 a surplus of 16.6%. An increase of 12.2% is expected in 1973 as against 1972.

In the 1973 Financial Plan of the Agency, a profit of Sh. So. 480,000 is expected which will be totally left at the Agency's disposal to finance its capital investments and to create an incentive fund.

39. ASPIMA. This Agency was established under the Ministry of Health in 1972. In spite of a number of organisational difficulties, and lack of initial necessary material resources the Agency provided all medical establishments with drugs.

The Agency's activities are threefold:

- Firstly: **Distribution and supply** of medicines to drug stores. The sales proceeds from this activity are expected to reach Sh. So. 8,400,000.
- Secondly: **providing** the hospitals and other public medical wings with free-of-charge drugs, materials and apparatus. This is to be financed from the State Budget. The sum of Sh. So. 2,000,000 is appropriated for this purpose in 1973.

— Thirdly: the production of medicines. They will produce medicines worth Sh. So. 400.000 in 1973. The main indicators of the Agency's commercial and financial activities are defined in its 1973 plan. Its sales proceeds will total Sh. So. 11.700.000; a sum of Sh. So. 10.120.000 will be spent on the purchase and production of medicines; Commercial expenses (commercial outlays), related to the Agency's activities, will reach Sh. So. 1.580.000. As is obvious from these figures the Agency does not plan to make a profit out of its activities.

The Agency will invest a sum of Sh. So. 800.000 allocated to it from the 1973 State Budget in the construction of stores, the purchases of vehicles, equipment and furniture.

40. The Agricultural Development Corporation (ADC) instituted under Law No. 60 of September 1970 was up to centralize the purchase and sale of grains, and the mechanisation of agriculture.

The marketing activities of the corporation are mainly concerned with the sale and purchase of Sorghum and Maize. The purchase of grains from farmers by the Corporation on fair prices has stabilized the market prices and encouraged the cultivation of import substitute food-stuffs.

The ADC's 1973 plan envisages the increase of the purchase and sale of Sorghum and Maize by 7% and 15% respectively.

The Corporation is expected to make a profit of Sh. So. 3.015.000 in 1973 out of which Sh. So. 2.100.000 will be allotted to capital investments; Sh. So. 450.000 will be utilized to set up an incentive Fund, and Sh. So. 465.000 will accrue to the Central Budget.

41. The Livestock Development Agency's estimates for 1973 are as follows:

- Proceeds from sales and services rendered Sh. So. 27.022.000;
- Profit Sh. So. 3.769.000;
- Noncentralized capital investments Sh. So. 4.364.000 to be covered from own resources and by bank credits;
- Payments to the budget Sh. So. 1.213.000;

The commercial activities of the Agency is progressing at a brisk pace as seen from the table below:

1.000 Shs.

Description	Actual	Estimate	1973-1971	
	1971	1973	Shs.	%
1. Sales proceeds from animals				
Total	9.975	20.370	+ 10.395	2 fold
<i>Of which for:</i>				
a) Kismayo Meat Factory	6.873	13.990	+ 7.117	2 fold
b) Export	3.102	6.380	+ 3.278	2 fold
2.. Profit	954	1.400	+ 446	+ 47%
3. Non-centralized capital Investment	—	580	+ 580	+100%
4. Payments to the budget	—	805	+ 805	+100%
5. Incentive Fund	—	200	+ —	+100%

Apart from the fact that the commercial activities of the Agency have been more than doubled, the LDA is strengthening its ties and connections with the Livestock breeders and also with Industry. The Agency is now financing its commercial activities from its own capital.

The Agency is intensifying and expanding its animal health activities, and will be spending a sum of Sh. So. 3.559.000 on the establishment of holding grounds at Buraō and Hargeisa and quarantine stations at Berbera in 1973. Out of this sum Sh. So. 2.452.000 will come from the LDA's resources, Sh. So. 220.000 will come from the Budget and Sh. So. 887.000 will be raised as a Bank Credit.

The animal health activities of the Agency are illustrated in the table placed below:

1.000 Shs.

Description	Amount Revised Estimate			1973-1972	
	1971	1972	1973	Amount	%
1. Proceeds from Services rendered					
Total	3.960	4.026	4.227	+201	+ 5%
<i>Of which:</i>					
a) Veterinary inspector fees	3.822	3.860	3.987	+127	+ 3%
b) Vaccination fees and other services	144	166	240	+ 74	+ 45%
2. Profit	—	—	2.347	—	—
3. Capital investments	—	—	3.559	—	—
4. Personnel Reward Fund	—	—	224	+224	+100%

The Hides and Skins Centres at Mogadiscio and dBurao are producing Leather goods and footwear. In 1973 these Centres are planned to produce 223.000 pairs of different types of shoes worth an estimated Sh. So. 3.525.000. These Centres' activities will be greatly enhanced by the launching of the Hides and Skins processing shop at the Kismayo Meat Factory.

ADMINISTRATIVE EXPENDITURES

42. It is the policy of the Revolutionary Government as was stated on many occasions by the President of the SRC Jaalle Mohamed Siad Barre, to channel more funds towards the Development Ministries, and to cut down the expenditures of the expenditures of the Administrative Ministries as far as possible. As the table below illustrates the Expenditures of the latter Ministries has been increasing greatly during the three year plan period, when it should have been going down.

The tendency on the part of some of these Ministries to incur unnecessary expenditures thereby depriving development Ministries of badly needed funds has to be stopped. The table below illustrates the validity of this point.

Description	Actual 1971		Estimate 1972		Estimate 1973		73-71
	Amount	% Prom.	Amount	% Prom.	Amount	% Prom.	%
1. Presidency SRC Total	11.282	3.2	12.463	3.0	13.431	2.7	119
<i>Of which:</i>							
a) Capital investment	—	—	371	—	—	—	—
2. Ministry of Justice and Judiciary	12.945	3.7	13.481	3.2	14.047	2.9	109
3. Ministry of Interior Total	10.057	2.8	9.841	2.3	5.010	1.0	50
<i>Of which:</i>							
a) Capital investment	—	—	2.573	—	2.049	—	80
4. Ministry of Foreign Affairs	12.030	2.4	13.781	3.3	16.983	3.5	141
5. Ministry of Plann- ing & Co-ordination Total	1.480	0.4	1.524	0.3	1.229	0.2	83
<i>Of which:</i>							
a) Capital investment	—	—	—	—	333	—	100
6. Ministry of Finance (Personal Emolu- ments and Central Services)	54.263	16.0	58.084	14.0	74.961	15.6	138

43. The 1973 Budget provides the sum of Sh. So. 98.000.000 under the Ministry of Defence. The share of this sum in total expenditure comes to 20% as against 22% in 1972. The Police Force is allocated a sum of Sh. So. 43.102.000 or 9% of the total Budget as against 10% in 1972.

The Ministries, Public Enterprises and Agencies and Local Governments should inculcate development into the minds of their workers and make the best possible use of Public Funds for the betterment of their people.

LOCAL GOVERNMENT COUNCILS

44. The Government attaches great importance to the political structure and the economic development of the regions. This desire is manifested in the creation of a Unified Budget in 1973 and the new financial co-relations of the Central Budget and the Budgets of the Local Councils as well as the re-organisation of the financial services in the regions and districts.

Under the 1973 Budget, the Budgets of the Local Councils are estimated at Sh. So. 52.000.000 or 10.9% of the Ordinary Revenues of the Central Government Budget and 12.6% of its ordinary expenditures. The table below shows a breakdown of the Regional Regional Revenues and Expenditures:

Region	Revenue	Ordinary Expenditure	Investment	Total Expenditure
Mogadiscio	17.894	12.382	5.512	17.894
Alto Giuba	4.043	3.254	789	4.043
Benadir	7.708	6.131	1.577	7.708
Basso Giuba	2.831	2.444	387	2.831
Bosaso	1.239	1.239	—	1.239
Mudugh	1.791	1.791	—	1.791
Hiran	1.110	1.074	36	1.110
Hargeisa	10.018	6.911	3.107	10.018
Burao	5.366	3.672	1.694	5.366
Totale - Total	52.000	38.898	13.102	52.000

MONETARY AND CREDIT POLICY INTERNATIONAL MONETARY EVENTS 1972

45. Money supply increased in 1972 to an extent by far exceeding the growth rates of the previous years. Both notes and coins in circulation as well as demand deposits, participated in this increase, however to different degrees during the course of the year. The rise in money supply indicates further progress in the monetization of the economy and above all an expansion in economic activity. Especially during the first half of the year, the 9.6% increase in money supply pointed to a high level of business activity. There is no doubt that this upswing in the economy was mainly due to an extremely good performance in the export sector of Somalia's economy; receipts from exports, registered by the foreign exchange control system, rose by 25%.

Prices remained stable during the first months of the year, but showed an upward trend towards the end. Because of a usually limited supply of goods, prices tend to go up in developing countries when monetary income and demand increases. Contrary to this rule, price performance was satisfactory during this period of considerable economic expansion in Somalia. However, most of the additional demand seems to have been absorbed by foreign countries, i.e. by imports. Import payments also rose by 25%, so that the deficit in trade receipts and payments even increased. Had import payments remained on the same (already very high) level as 1971, a surplus in the trade balance would have been recorded for the first time.

The large rise in imports shows that the propensity to import is very high in Somalia. Ample reserves of foreign exchange have to be available in the future to meet the demand for imported goods which will rise with the growth of Somalia's economy. In 1972, foreign reserves increased further, despite the large deficit in foreign trade receipts and payments, due to the again large inflow of foreign capital and aid. The reserves might have reached the amount of 250 million at the end of 1972, that is the equivalent of 7 month's imports. This is a comfortable cushion for the coming critical years in which the income and demand expansion, caused by the huge infrastructure projects now being started, will lead to high import payments.

But not only did the inflow of foreign exchange nourish the rise in money supply, domestic credit also expanded. Credit to private enterprises and public entities showed high growth rates during the year. The bulk of these credits went again to the trade sector. The fact that most of the lendings of the commercial banks have been granted to traders and not to the «productive» sectors of the economy, has often been criticized.

However, one has to take into account the fact that substantial part of the credits to traders is indirectly granted to the Livestock, agricultural and industrial sectors. The financial means obtained from the banks enable the trader to buy on a cash basis from the producers or to sell to them by granting a grace period so that the farmers' and enterprises' need for short-term credits is diminished. It must also be noted that according to the banking laws and the banks' financial resources, these institutions are mainly concerned with granting short-term credits. But to increase productivity and the capacity of agricultural and industrial enterprises long-term loans are particularly needed. The Somali Development Bank which is concerned with this field of banking activity, has expanded its lendings considerably in 1972; loans to the industrial sector especially increased.

The commercial banks were not always able to meet demand for credit from their own resources during the year; they had to rely on the Central Bank's credit. In particular the financial needs of the public entities induced the commercial bank to seek the liquidity help of the central bank.

Credits to the Government showed large fluctuations during the year. During of the period under consideration, credits (net) stood at 30 million So. Sh. however, in some months they reached the amount of 50 million So. Sh. This was mainly due to the fact that the Government had to render financial support to some Public Entities.

A higher than usual part of the liquidity given to Somalia's economy by credit creation and by the increase in foreign reserves, was absorbed by transfers to time and savings deposits which might have reached the amount of 75 million Sh. So. at the end of the year. However, one should be cautious in judging this tremendous 25% increase; it does not indicate a change in the ability and willingness of the Somali people to save. Most of the increase in time and savings deposits stems from money i.e. funds which are collected and kept for only a short period.

The monetary data described above — especially the increase in money supply — raised the question whether the Central Bank should follow a more restrictive monetary policy. However, since the Mogadiscio Consumer Price Index showed stable consumer prices during most of the year and foreign reserves were still increasing, the Central Bank saw no reason to interfere. On the contrary, it supported the expansionary tendencies by granting credits to the commercial banks.

Most of these lendings were caused by an extremely high demand for credits by the Public Entities.

Even towards the end of the year, prices tended to go up, the Central Bank decided not to change its policy. In developing countries

tries, an increase in economic activity and income is usually accompanied by rising prices since the supply of goods is not very elastic in many sectors of the economy because of scarcity of industrial capacities. However, these tensions between demand and supply usually give strong incentives to enlarging capacities, to establishing new enterprises and to creating new jobs. A too-restrictive monetary policy would impede or even destroy such incentives.

As far as the international monetary field is concerned, the situation was marked by some critical events which also touched Somalia's economy. First of all, the crisis of 1971 was temporarily overcome by the realignment of the major currencies in December 1971. In this connection Somalia decided to devalue her currency by 5%. The decision was mainly made in view of Somalia's foreign trade; it was feared that the realignment of the major currencies would influence Somalia's competitiveness on her export markets.

There is no doubt that this decision was one of the reasons for the steep increase in exports. The devaluation expedited the sale of the increased production of Somalia's meat industry and of Somalia's banana plantations on the world markets. Its effects on imports are difficult to appraise. Imports from some of Somalia's traditional trade partners became more expensive after the devaluation as far as the value expressed in Somali Shilling is concerned. However, ENC, Somalia's main importer, endeavoured to shift its purchases to more favourable markets. Import prices for some basic imported food-stuffs during the first months of the year indicate that the endeavours were at least partly successful.

However, the devaluation seems to impose an additional burden on the future budgets. Interest payments and instalments on a substantial part of foreign loan incurred by the government will rise. As far as US-dollar-loans are concerned, there will be no increase in payments expressed in Somalia Shilling since the US-dollar was devaluated at a higher rate than the Somali Shilling. However, debt service for other loans will go up.

In June 1972, another event on the international exchange markets affected Somalia's foreign trade, especially her exports. The government of the United Kingdom decided to float the £-sterling. In the following months the value of the £-sterling decreased by 10%.

Since a substantial part of Somalia's exports is traded in £-sterling, the exporters were faced with serious problems. The SNB and the commercial banks tried to support the interests of this vital sector of Somalia's economy as much as possible, however losses could not always be avoided. Banks and traders will have to find new methods of eliminating foreign exchange risks since more frequent changes in the value of foreign currencies are likely.

46. The foregoing report gives a general review of the Economic activities of the country during the three year plan period.

The working masses of the country are striving towards progress and more economic achievements designed to improve the well being of the population.

The proper implementation of the 1973 State Budget will greatly contribute to the realizations of the Economic and Social goals of the nation, and in their struggle towards the establishment of a socialist society under the wise leadership of Jaalle Mohamed Siad Barre.

Jaalle M. Y. Weirah

SECRETARY OF STATE FOR FINANCE.

BILANCIO DI PREVISIONE 1973
BUDGET ESTIMTE 1973

—————«0»—————

SOMMARIO - SUMMARY

Spese Correnti <i>Current Expenditure</i>	Sh. So.	435.043.640
Spese in conto capitale <i>Capital Expenditure</i>	» »	<u>338.133.050</u>
TOTALE — TOTAL	Sh. So.	<u>773.176.690</u>
Entrate <i>Receipts</i>	Sh. So.	457.000.000
Local Government Councils' Receipts	» »	52.000.000
Fondo di Sviluppo <i>Development Fund</i>	» »	13.600.000
Contributo <i>Grants</i>	» »	95.730.250
Debito Pubblico — Interno <i>Public Debt — Domestic</i>	» »	10.000.000
Estero — Foreign	» »	<u>145.693.190</u>
TOTALE — TOTAL	Sh. So.	<u>774.025.440</u>
Surplus	Sh. So.	848.750

ENTRATE -- REVENUE

RIEPILOGO COMPARATIVO 1972-1973 -- COMPARATIVE SUMMARY 1972-1973

In Migliaia di Shs. So. — In thousands Shs. So.

Titolo Head	DESCRIZIONE -- DESCRIPTION	Estimate 1972	%	Estimate 1973	%	Variation in absolute value	Variation in % 1973-1972
I	Imposte Indirette sui Consumi - Customs and Excise Duties	261.700	51,6	270.000	35,0	+ 8.300	+ 10,3
II	Imposte Indirette sugli Affari -- Registration and Stamp Tax and other Indirect Taxes	16.000	3,2	38.000	5,0	+ 22.000	+ 137,5
III	Imposte Dirette -- Direct Taxes	30.600	6,0	43.600	5,6	+ 13.000	+ 42,4
IV	Tasse Proventi di Servizi speciali -- Charges for specific Services rendered	21.000	4,1	29.200	3,8	+ 8.200	+ 39,0
V	Entrate patrimoniali -- Revenue from Govt. property	30.800	6,1	54.900	7,1	+ 24.100	+ 78,2
VI	Entrate Varie -- Miscellaneous	4.900	1,0	7.600	1,0	+ 2.700	+ 55,1
XI	Fondo di Sviluppo Governativo -- Govt. Development Fund	12.000	2,4	13.600	1,7	+ 1.600	+ 13,3
VII	Contributi Italiano al Bilancio -- Italian Budgetary Aid	13.700	2,7	13.700	1,8	—	—
XII	Rimborso -- Reimbursement	14.000	2,8	—	—	— 14.000	— 100,0
	TOTALE -- TOTAL	404.700	79,9	470.600	6%	+ 65.900	+ 16,2
X	Entrate Governo Locale -- Local Government	26	—	52.000	6,5	+ 51.974	—
	TOTALE -- TOTAL	404.726	79,9	522.600	67,5	+ 117.874	+ 29,1
VIII	Contributi -- Grants	1.457	0,3	95.730	12,4	+ 94.273	+ 65
IX	Debito Pubblico -- Public Debt:						Fold
	(a) Domestic	10.000	1,9	10.000	1,3	—	—
	(b) Estero -- Foreign	90.817	17,9	145.695	18,8	+ 54.878	+ 60,4
	TOTALE -- TOTAL	507.000	100%	774.025	100%	+ 267.025	+ 52,7

ENTRATE -- REVENUE

RIEPILOGO 1963-1973 -- SUMMARY 1963-1973

1962 = 100

In Migliaia di Sh. So. -- In Thousand of Sh. So.

o - Head	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
I	106.775	112.236	137.100	180.100	189.100	203.596	215.596	227.580	234.700	261.700	270.000
II	7.340	7.910	9.410	13.530	16.680	14.680	14.880	16.000	16.250	16.000	38.000
III	10.640	11.105	13.205	16.100	16.800	16.700	19.500	36.500	33.000	30.600	43.600
IV	9.940	10.049	10.765	11.690	14.700	15.100	15.800	13.600	12.700	21.000	29.200
V	2.173	3.905	4.763	4.760	4.310	3.560	4.860	9.300	14.715	30.800	54.900
VI	6.961	6.680	12.641	8.114	4.004	5.988	10.894	4.948	4.935	4.900	7.600
XI	—	—	—	—	—	—	—	—	—	12.000	13.600
File-Total iat. Over	143.829	151.885	187.884	234.294	245.594	259.624	281.530	307.928	316.300	377.000	456.900
62%	+20.4	+27.1	+57.3	+96.1	+105.6	+117.3	+135.7	+157.8	+164.8	+215.6	+282.6
VII	45.415	48.923	15.213	23.000	26.500	22.000	20.000	20.000	13.700	27.700	13.700
id Total	189.244	200.808	203.097	257.294	272.049	281.624	301.530	327.928	330.000	404.700	470.600
X	—	—	—	—	—	—	—	—	—	26	52.000

Tabella - Table 3

RIEPILOGO COMPARATIVO 1972-1973 — COMPARATIVE SUMMARY 1972-1973
 SPESE ORDINARIE PER MINISTERI — ORDINARY EXPENDITURE BY MINISTRIES

In Migliaia di Sh. So. — In Thousand of Sh. So.

Head of Budget	Estimate 1972	%	Estimate 1973	%	Variation	Variation % 1973-1972
Presidency of the S. R. C.	12.092	3.5	13.430	3.4	+ 1.338	+ 11.0
Police and Judiciary (1)	5.177	1.5	5.409	1.4	+ 132	+ 2.5
Post and Telegraphs Service (2)	8.034	2.3	8.738	2.2	+ 704	+ 8.7
Foreign Affairs	13.781	4.0	16.982	4.3	+ 3.201	+ 23.7
Foreign Affairs Interior (1)	7.268	2.1	2.961	0.7	— 4.307	— 59.3
Health (2)	42.494	12.4	43.102	10.9	+ 608	+ 1.4
Finance	92.000	26.8	98.000	24.7	+ 6.000	+ 6.5
Information and National Guidance	6.792	2.0	8.517	2.1	+ 1.725	+ 25.3
Education	21.614	6.3	27.894	7.0	+ 6.280	+ 29.0
Health	26.000	7.6	28.863	7.3	+ 2.863	+ 11.0
Planning and Co-ordination	1.524	0.4	896	0.2	— 628	— 41.3
Finance and Central Services	58.084	16.9	74.961	19.0	+ 16.877	+ 29.0
Public Works	13.170	3.8	25.229	6.4	+ 12.059	+ 91.5
Posts and Telecommunications	5.514	1.6	6.871	1.7	+ 1.357	+ 24.6
Industry	842	0.2	992	0.3	+ 150	+ 17.8
Commerce	767	0.2	1.870	0.5	+ 1.103	+ 43.8
Agriculture	4.424	1.3	5.083	1.3	+ 659	+ 14.8
Livestock, Forestry and Range	3.791	1.1	4.160	1.1	+ 369	+ 7.0
General and Water Resources	6.000	1.8	6.095	1.5	+ 95	+ 1.5
Transport	13.312	3.9	14.830	3.7	+ 1.518	+ 11.4
Tourism and Sports	1.042	0.3	1.363	0.3	+ 321	+ 31.8
TOTAL	343.722	100%	396.146	100%	+ 52.424	+ 15.2

RIEPILOGO COMPARATIVO 1972-1973 — COMPARATIVE SUMMARY 1972-1973
 SPESE DI SVILUPPO PER MINISTERI — DEVELOPMENT EXPENDITURE BY MINISTERIES

In Migliaia di Sh. So. — In Thousands Sh. So.

Head of Budget	1972 Govt.		1972 Foreign Asst.		Total 1972		1973 Govt.		1973 Foreign Asst.		Total 1973	
	Estim.	%	Estim.	%	Estim.	%	Estim.	%	Estim.	%	Estim.	%
Presidency of S. R. C.	371	0.5	—	—	371	0.2	—	—	—	—	—	—
Justice and Judiciary	—	—	—	—	—	—	—	—	—	—	—	—
Prisons Services	—	—	—	—	—	—	—	—	—	—	—	—
Foreign Affairs	—	—	—	—	—	—	—	—	—	—	—	—
Interior	2.573	3.6	—	—	2.573	1.6	2.049	2.4	—	—	2.049	0.6
Police	—	—	—	—	—	—	—	—	—	—	—	—
Defence	—	—	—	—	—	—	—	—	—	—	—	—
Information and National Guidance	—	—	—	—	—	—	—	—	—	—	—	—
Education	4.723	6.6	6.300	6.8	11.023	6.8	9.116	10.9	22.805	9.4	31.921	9.8
Health	5.882	8.3	—	—	5.882	3.6	4.021	4.8	24.238	10.0	28.259	8.7
Planning and Co-ordination	—	—	—	—	—	—	333	0.4	—	—	333	0.1
Finance and Central Services	—	—	—	—	—	—	—	—	—	—	—	—
Public Works	14.315	20.2	31.796	34.5	46.111	28.2	8.439	10.1	124.015	51.4	132.454	40.8
Posts and Telecommunic.	3.297	4.6	2.150	2.3	5.447	3.3	2.098	2.5	20.625	8.5	22.723	7.0
Industry	3.240	4.6	8.185	8.9	11.425	7.0	10.067	12.0	10.531	4.4	20.598	6.3
Commerce	—	—	—	—	—	—	—	—	—	—	—	—
Agriculture	19.737	27.7	5.839	6.4	25.576	15.7	32.548	39.0	33.300	13.8	65.848	20.3
Livestock F. and R.	6.609	9.3	—	—	6.609	4.0	6.811	8.1	5.000	2.1	11.811	3.6
Mineral and Water R.	9.246	13.0	32.616	35.4	41.862	25.6	6.350	7.6	845	0.4	7.195	2.2
Transport	1.065	1.5	5.267	5.7	6.332	3.9	1.814	2.2	—	—	1.814	0.6
Labour and Sports	67	0.1	—	—	67	0.1	26	—	—	—	26	—
TOTAL	71.125	100%	92.153	100%	163.278	100%	83.672	100%	241.359	100%	325.031	100%
% 1973-1972	—	—	—	—	—	—	+17.6%	—	+162.0%	—	+99%	—

SPESE ORDINARIE PER CATEGORIA — ORDINARY EXPENDITURE BY CATEGORIES
RIEPILOGO COMPARATIVO 1972-1973 — COMPARATIVE SUMMARY 1972-1973

In Migliaia di Sh. So. — In Thousands of Sh. So.

Sub-head	Description	Estimate 1972	%	Estimate 1973	%	Variation Absolute value	Variation in % 1972-1973
1.0.0	Personnel Remuneration	176.456	51.3	180.623	45.6	+ 4.167	+ 2.3
2.0.0	Property and Services	118.503	34.5	120.669	30.5	+ 2.166	+ 1.8
3.0.0	Constructions	1.729	0.5	12.750	3.2	+11.021	+637.4
4.0.0	Contributions	39.299	11.4	52.104	13.1	+12.805	+ 32.5
5.0.0	Public Debt Service	17.735	2.3	15.000	3.8	+ 7.265	+ 93.9
6.0.0	Capital Outlay	—	—	15.000	3.8	+15.000	+100.0
	Total	343.722	100%	396.146	100%	+52.424	+ 15.2

RIEPILOGO COMPARATIVO 1963-1973 — COMPARATIVE SUMMARY 1963-1973

SPESE ORDINARIE — ORDINARY EXPENDITURE

In migliaia di Sh. So. — In thousand of So. Sh.

Head and Description	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
Presidency of the Republic	1.150	1.000	1.000	1.000	0.074	1.000	1.000	—	—	—	—
National Assembly	4.270	4.302	4.209	4.804	4.963	5.193	5.166	—	—	—	—
Presidency Council of Minis.	14.142	11.382	10.798	20.269	18.823	11.635	18.993	—	—	—	—
Presidency of the S. R. C.	—	—	—	—	—	—	—	23.841	23.743	12.092	13.430
Justice and Judiciary	6.099	5.788	5.913	7.519	9.018	8.851	10.201	12.316	12.339	5.177	5.309
Prisons Service	—	—	—	—	—	—	—	—	—	8.034	8.738
Foreign Affairs	8.058	8.705	9.157	9.937	10.421	9.682	10.823	12.639	12.534	13.781	16.982
Interior	37.367	46.129	48.570	47.391	46.213	46.962	52.866	54.435	50.895	7.268	2.961
Police	—	—	—	—	—	—	—	—	—	42.494	43.102
Defence	32.150	37.190	36.935	46.402	52.224	59.645	64.320	80.153	81.253	92.000	98.000
Information and National Guidance	2.531	2.589	2.672	4.343	5.166	4.929	5.571	5.524	5.335	6.792	8.517
Education	12.635	12.657	13.178	16.794	18.683	18.547	20.408	21.675	20.970	21.614	27.894
Health	18.165	18.397	18.948	22.427	18.364	21.841	23.803	25.812	23.551	26.000	28.863
Planning and Co-ordination	—	—	—	—	1.615	6.348	1.874	1.528	1.601	1.524	896
Finance and Central Services	25.264	25.330	23.839	29.550	33.140	32.254	27.608	27.432	32.503	58.084	74.961
Public Works	22.126	22.048	22.218	23.307	25.180	27.456	25.853	22.486	18.114	13.170	25.229
Posts and Telecommunications	—	—	—	13.257	14.844	14.917	15.504	10.760	9.032	5.514	6.871
Industry and (Commerce)	0.777	0.641	0.877	1.764	2.171	0.883	1.095	1.285	1.320	0.842	992
Commerce	—	—	—	—	—	—	—	—	—	0.767	1.870
Agriculture	4.510	4.650	4.783	8.530	10.093	4.582	5.478	5.089	5.725	4.424	5.083
Livestock, For. and Range	—	—	—	—	—	—	—	5.746	5.295	3.791	4.160
Mineral and Water Resources	—	—	—	—	—	—	—	0.306	1.790	6.000	6.095
Transport	—	—	—	—	—	—	—	—	—	13.312	14.830
Labour and Sports	—	—	—	—	—	—	—	—	—	1.042	1.363
Animal Husb. Fish. and Mineral Res.	—	—	—	—	—	3.948	4.089	—	—	—	—
Rural Development and Self-Help Schemes	—	—	—	—	—	2.951	6.878	—	—	—	—
Total	189.244	200.808	203.097	257.294	272.094	281.624	301.530	311.027	306.000	343.722	396.146

Tabella - Table 7

BILANCIO ORDINARIO 1973 — ORDINARY BUDGET 1973
RIEPILOGO SPESE — SUMMARY OF EXPENDITURE

In migliaia di Sh. So. — In thousands of Sh. So.

HEAD OF BUDGET	1.0.0	2.0.0	3.0.0	4.0.0	5.0.0	6.0.0	Total	%
Presidency of S. R. C.	4.650	7.520	—	1.260	—	—	13.430	3.4
Justice and Judiciary	4.499	690	—	120	—	—	5.309	1.4
Prisons Service	3.778	4.960	—	—	—	—	8.738	2.2
Foreign Affairs	1.087	14.658	—	1.237	—	—	16.982	4.3
Interior	1.024	1.467	—	470	—	—	2.961	0.7
Police	28.558	13.924	400	220	—	—	43.102	10.9
Defence	71.000	26.200	—	800	—	—	98.000	24.7
Information and National Guidance	2.411	5.631	—	475	—	—	8.517	2.1
Education	19.242	6.368	—	2.284	—	—	27.894	7.0
Health	14.794	9.748	—	4.141	—	—	28.863	7.3
Planning and Co-ordination	431	163	—	302	—	—	896	0.2
Finance and Central Services	3.262	8.556	—	33.143	15.000	15.000	74.961	19.0
Public Works	7.594	5.435	12.200	—	—	—	25.229	6.4
Posts and Telecommunications	3.101	3.590	—	180	—	—	6.871	1.7
Industry	604	320	—	68	—	—	992	0.3
Commerce	478	1.392	—	—	—	—	1.8.0	0.5
Agriculture	2.921	1.512	150	500	—	—	5.083	1.3
Livestock Forestry and Range	3.054	706	—	400	—	—	4.160	1.1
Mineral and Water Resources	161	104	—	5.830	—	—	6.095	1.5
Transport	7.200	7.228	—	402	—	—	14.830	3.7
Labour and Sports	594	498	—	271	—	—	1.363	0.3
TOTAL	180.623	120.670	12.750	52.103	15.000	15.000	396.146	1000%

Tabella - Table 8

Head	DESCRIPTION	1971	Estimates 1972	Estimates 1973
VIII	A. DEVELOPMENT AID (Domestic)			
	(b) Contribution from L. D. A. for:	24.000.000	—	—
	(a) Contribution from Ordinary			
	1. Strengthening of Veterinary Service			
	2. Veterinary Training School			
	3. Hides and Skinning Training Centre			
	4. Parasite Treatment Centres	138.000	122.000	66.000
	TOTAL (A)	24.138.000	122.000	66.000
	B. DEVELOPMENT AID (Foreign)			
	1. Grant from F.E.D. for Afgoi-Baidoa Road	—	—	—
	2. Grant from F.E.D. for Goluen-Gelib Road	—	—	4.320.000
	3. Grant from UNDP for Hargeisa-Berebra Road	—	—	—
	4. Grant from United Nations for Gypsum Plant	—	900.000	1.331.400
	5. Grant from United Nations for Foundry Plant	—	435.000	3.000.000
	6. Grant from F.E.D. for Arrara-Giamama Road	—	—	5.450.000
	7. Grant from F.E.D. for Burao-Berbera Road	—	—	3.500.000
	8. Grant from F.E.D. for New Telecom. Project	—	—	20.625.000
	9. Grant from F.E.D. for Mogadiscio Dept. Water Marbour	—	—	33.200.000
	10. Grant from United Arab Emirate	—	—	24.237.850
	TOTAL (B)	1.100.000	1.335.000	95.664.250

Head	DESCRIPTION	1971	Estimates 1972	Estimates 1973
IX	A. PUBLIC DEBT (Foreign)			
	(a) Commodity Credit from the USSR for:			
	1. Kismayo Meat Factory	500.000	1.000.000	1.200.000
	2. Las Kõreh Fish Factory	500.000	2.350.000	2.500.000
	3. Fanole Project	—	—	25.000.000
	4. Development of Fisheries	—	—	2.500.000
	TOTAL (A)	100.000	3.350.000	31.200.000
	B. Loan from I. D. A. for:			
	1. Afgoi-Baidoa Road	8.050.000	2.000.000	2.000.000
	2. Mogadiscio Dept. Water Harbour	—	—	33.200.000
	3. Hargeisa-Berbera Road	—	27.401.000	25.600.000
	4. Multi purpose Educational Project	4.440.000	6.200.000	22.804.860
	5. Hargeisa-Borama Road	—	—	4.000.000
	6. Trans. Guiba Livestock (IDA)	—	—	5.000.000
	TOTAL (B)	12.490.000	35.701.000	92.604.860

DESCRIPTION	1971	Estimates 1972	Estimates 1973
C. Loan from US Aid for:			
1. Afgoi-Bonka Project	—	—	—
2. Contribution to A.D.A. (Fonder Project)	—	—	—
3. Mogadiscio Water Supply	36.434.000	32.615.391	845.470
TOTAL (C)	36.434.000	32.615.391	845.470
D. Loan from I. M. F. for:			
1. Capital outlay on new capacity (Electricity)	5.255.000	—	—
2. Capital outlay on new electricity Service	1.098.917	—	—
3. Capital outlay new capacity (Mogadiscio)	—	2.395.236	—
TOTAL (D)	6.353.917	2.395.236	—
E. Loan from Suppliers of Equipment for:			
1. Expansion of Mogadiscio Telephone System	2.150.000	2.150.000	—
2. Telex Printer System	686.000	—	—
3. Flight Information Centre	5.267.394	5.267.394	—
4. Tomato Paste Factory	—	3.000.000	—
5. Flour Mill	—	500.000	—
TOTAL (E)	8.103.394	10.917.394	—

Lead	DESCRIPTION	1971	Estimates 1972	Estimates 1973
	F. Loan from the African Development Bank for:			
	1. Afgoi-Mordile Development Project	—	5,838,400	8,300,000
	G. Loan from Libya Government for:	—	—	12,744,860
	1. Kismayo Airport			
	Public Debt TOTAL (A)	64,382,111	90,817,471	241,425,440
	B. PUBLIC DEBT (Domestic)			
	Domestic Borrowing	12,044,046	10,000,000	10,000,000
XI	Development Fund	—	12,000,000	13,600,000
	GRAND TOTAL	101,664,157	114,300,000	265,025,440

Tabella - Table 9

ENTI PUBBLICI — DISTRIBUZIONE DEI PROFITTI ED I PAGAMENTI AL BILANCIO DELLO STATO PER IL 1973

PUBLIC AGENCIES — PROFIT DISTRIBUTION AND PAYMENTS TO STATE BUDGET 1973

1.000 Shs.

Nomenclatura	Imposta sui ricavi di vendita e Serv.			Distribuzione utile							Quota D'amm.to per F.S.G.	
	%	Ammont.	Profitto	F. incent.		F. alloggio		Aumento del capita- le Circo.	Invest. non cent.	quota utile al bilanc. Statale	%	
				%	Amm.	%	Amm.				%	Amm.
2	3	4	5	6	7	8	9	10	11	12	13	14
Ente Nazionale Petroli	3,2%	2.700	6.877	5%	344	7%	480	690	140	5.223	40%	600
E. N. E. E.	9%	1.200	2.660	5%	133	10%	266	229	—	2.032	50%	1.200
Meat Factory Kismayo	5%	1.750	2.820	5%	141	5%	141	—	—	2.538	26%	1.139
Commercial Bank	—	1.020	2.380	—	—	—	—	1.373	—	1.007	—	—
E. N. C.	1,6%	5.632	11.364	3%	340	3%	340	1.000	3.745	5.939	33%	100
State Monopoly Agency	72,7%	40.000	480	32%	155	32%	155	—	170	—	—	—
S. S. and Credit Bank	—	1.106	2.581	—	—	—	—	1.677	—	904	—	—
National Banana Board	—	5.428	4.440	5%	222	10%	444	1.000	—	2.774	—	—
Livestoc Development Agency	—	608	3.769	5%	242	—	263	386	2.273	605	—	—
Milk Factory Mogadiscio	2%	80	420	5%	40	5%	40	140	—	200	30%	250
S. N. A. I.	2,2%	1.200	4.650	5%	232	5%	233	700	—	3.485	46%	6.500
Las Koreh Fish Factory	—	—	—	—	—	—	—	—	—	—	12%	355
Somali National Bank	—	—	2.200	—	—	—	—	1.100	—	1.100	—	—
Somali Petroleum Agency	4%	1.760	2.740	5%	137	5%	137	276	—	2.190	—	350
State Printing Agency	10%	650	2.200	10%	220	10%	220	500	500	760	30%	195
A.A. D. C.	1,4%	1.000	3.015	10%	300	5%	150	—	2.100	465	—	—
C. A. S. S.	—	—	742	—	—	—	—	222	74	446	—	—
Somali Port Authority	5%	1.700	6.179	10%	620	5%	310	1.000	—	4.249	58%	2.911
TOTALE	—	65.834	59.517	—	3.126	—	3.179	10.293	9.002	33.917	—	13.600

225

Tabella - Table 10

ENTRATE DEI CONSIGLI LOCALE PER L'ESERCIZIO FINANZIARIO 1973

REVENUE OF LOCAL COUNCILS FOR THE FINANCIAL YEAR 1973

RIEPILOGO PER REGIONI — SUMMARY BY REGIONS

REGIONE — REGION	Imposte ed addizionali Taxes and Additional	Tasse e proventi di servizi speciali Charges for specific service rendered	Entrate patrimonial Property Revenue	Entrate Varie Miscellaneous	TOTALE TOTAL
scio	6.418.287	7.413.000	500.000	3.582.000	17.913.287
sa	4.486.545	2.311.765	160.580	3.059.037	10.017.927
r	2.451.104	2.282.213	96.500	2.878.387	7.708.204
.	3.376.470	813.600	23.750	1.152.447	5.366.267
uba	1.623.370	924.290	2.900	1.492.020	4.042.580
C Giuba	1.545.540	645.000	36.000	604.700	2.831.240
gh	622.690	585.914	18.260	564.498	1.791.362
.	345.830	460.800	3.000	409.303	1.218.933
.	392.600	293.300	60.000	364.300	1.110.200
TOTALE — TOTAL	21.262.436	15.729.882	900.990	14.106.692	52.000.000

226

SPESE DEI CONSIGLI LOCALE PER L'ESERCIZIO FINANZIARIO 1973
EXPENDITURE OF LOCAL COUNCILS FOR THE FINANCIAL YEAR 1973

RIEPILOGO PER REGIONI — SUMMARY BY REGIONS

REGIONE — REGIONS	Spese per Il personale Expenditure per personnel	Spese per servizi Expenditure for services	Spese per investimenti Investment expenditure	TOTALE TOTAL
Mogadiscio	6.300.000	4.613.287	7.000.000	17.913.287
Hargeisa	3.840.072	3.070.436	3.107.419	10.017.927
Benadir	2.453.770	3.677.240	1.577.194	7.708.204
Burao	2.160.424	1.511.787	1.694.056	5.366.267
Alto Giuba	1.687.299	1.565.996	789.285	4.042.580
Basso Giuba	1.406.474	1.037.935	386.831	2.831.240
Mudugh	1.220.416	570.946	—	1.791.362
Bosaso	927.835	271.098	20.000	1.218.933
Hiran	588.473	485.496	36.231	1.110.200
TOTALE — TOTAL	20.584.763	16.804.221	14.611.016	52.000.000

CONSOLIDATED STATEMENTS OF EXPENDITURE
FOR PROJECTS INCLUDED IN THE BUDGET 1973

« B » DEVELOPMENT PROGRAMME

Head	Ministry	Name of Project	Estimate 1973
4.	Ministry of Interior		
		Self-hep projects	2.048.930
7.	Ministry of Education		
		Multipurpose Education project	24.513.260
		Language Development	3.000.000
		New Secondary Schools	2.971.170
		Primary Education	1.336.600
		National library	100.000
8.	Ministry of Health		
		Health personnel Training School	284.980
		Tuberculosis Controll	273.000
		Nursing School Hargeisa	291.000
		Rural Health Centres	206.000
		Public Health Laboratory	115.090
		Health Workshop	95.000
		Malaria pre-radication	802.000
		Small-pox eradication	217.000
		Strengthening of Regional Hospitals	150.000
		Establishment of Medical College	1.000.000
		Nursing School Mogadiscio	586.360
		T. B. Hospital	24.237.850
9.	Ministry of Planning and Co-ordination		
		Population and Livestock census	333.200
11.	Ministry of Public Works		
		Establishment of Electricity Service	400.00
		Afgoi-Baidoa Road	2.000.000

**CONSOLIDATED STATEMENTS OF EXPENDITURE
FOR PROJECTS INCLUDED IN THE BUDGET 1973**

« B » DEVELOPMENT PROGRAMME

Head	Ministry	Name of Project	Estimate 1973
		Jowhar-Bulo Burti Road	4.000.000
		Crash Programme (Roads)	1.500.000
		Highway Development Programme	825.100
		Hargeisa Berbera Road	25.600.000
		Afgoi-Shalambot Road	1.600.000
		Arrare-Giamama Road	5.450.000
		Golowein-Gelib Road	4.320.000
		Burao-Berbera Road	3.500.000
		Hargeisa-Borama Road	4.000.000
		Kismayo Airport	12.744.860
		Mogadiscio Dept. Water Harbour	66.400.000
		Topography	113.740
12.	Ministry of Posts and Telecommunication		
		Establishment of Telex printer system	248.000
		Expansion of Mogadiscio Telephone Network	850.000
		Postal Headquarters	1.000.000
		New Telecommunication project	20.625.000
13.	Ministry of Industry		
		Las Koreh Fish Factory	3.000.000
		Gypsum plant	2.331.400
		Small scale industries	1.000.000
		Foundry	6.617.000
		Fisheries Development	4.450.000
		Somaltex	2.000.000
		Chismaio Meat Factory	1.200.000

CONSOLIDATED STATEMENTS OF EXPENDITURE
FOR PROJECTS INCLUDED IN THE BUDGET 1973

« B » DEVELOPMENT PROGRAMME

Head	Ministry	Name of Project	Estimate 1973
15.	Ministry of Agriculture		
		Agriculture Research and Training	650.000
		Crash Programme	10.000.000
		Intensification of Agriculture Extension Work	420.000
		Plant protection	1.354.000
		Extention and Improvement of Irrigation Canals	1.154.000
		Construction of Embarkments	470.000
		Afgoi-Mordiale Development programme	10.800.000
		Fanole project	37.000.000
		Balad Development programme (Irrigation project)	4.000.000
16.	Ministry of Livestock Forestry and Fange		
		Intensification of Animal Health	988.000
		Joint Rinderpest Campaign	250.000
		Parasite Treatment Centres	66.000
		Training School for Animal Health Assistants	653.880
		Establishment of a college of Veterinary Medicine	1.000.000
		Trans-Juba Livestock project	5.700.000
		Wild-life preservation	278.000
		Almadu saw Mill	248.000
		Nursury	127.000
		Crash Programme (Forestry and Range)	1.100.000
		Forestry and Wild-life project	114.990

CONSOLIDATED STATEMENTS OF EXPENDITURE
FOR PROJECTS INCLUDED IN THE BUDGET 1973

« B » DEVELOPMENT PROGRAMME

Head	Ministry	Name of Project	Estimate 1973
		Range Development	27.000
		Re-afforestation and Range Development	1.258.250
17.	Ministry of Mineral and Water Resources		
		Mineral and ground water survey (Phase II)	3.488.000
		Mining Development programme (National team)	500.000
		Mogadiscio water Agency	845.470
		Chisimaio water supply	100.000
		Construction of Deep wells	1.624.250
		Construction of wars	637.000
18.	Ministry of Transport		
		Flight information Centre	1.194.270
		Marine Equipment	210.000
		Fire Fighting vehicles	410.000
19.	Ministry of Labour and Sports		
		Manpower Survey	26.000
		TOTAL	325.031.050