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Soviet Rubber Prices

Under the new Soviet price reform introduced in July 1967, the over-all price of rubber reportedly was to remain about the same, but substantial changes were to occur in prices of various types of rubber. Higher-quality types (presumably including the new stereoregular rubbers) were to become more expensive, whereas reductions in price were scheduled for the lower-quality rubbers. Domestic prices for natural rubber were increased by an average of 17 percent. It is of interest to note that prices of the newer Soviet synthetic rubbers in 1966 apparently were already some 20 percent to 30 percent above those of natural rubber. The increase set for natural rubber probably is intended to prevent a situation such as that reported in 1963, when Soviet tire plants used natural rubber in excess of their scheduled allocations and failed to utilize part of the Soviet synthetic rubber that was available.

In spite of the claim that the over-all price of rubber will be about the same, it is clear that the changes planned in the assortment of rubber produced will result in higher prices for many rubber goods. Average prices for tires, for example, were raised by 16 percent, reflecting in part the vastly increased use of stereoregular rubbers scheduled by the tire industry.

Soviet Rubber Trade
(thousands of metric tons) a/

Natural ^{b/}	Exports		Imports		
	Synthetic	Total	Natural	Synthetic	Total
17.1	24.8	41.9	258.7	26.7	285.4
17.4	34.7	52.1	242.1	33.3	275.4
17.5	31.6	49.1	190.9	36.6	227.5
25.4	38.0	63.4	360.3	55.9	416.2
23.5	32.4	55.9	361.7	37.1	398.8
22.9	35.6	58.5	298.4	39.3	337.7
23.8	36.4	60.2	186.1	45.0	231.1
23.1	37.8	60.9	271.2	53.8	325.0
28.0	52.8	80.8	311.1	33.6	344.7
25.4	53.4	78.8	278.5	40.1	318.6

Convert metric tons to long tons, multiply by 0.9842.

Only the data for natural rubber represent reexports.

Exports (Reexports) of Natural Rubber
by the USSR, 1958-67

(metric tons)

Year	Total Exports	Of Which, to East Germany
1958	17,100	11,600
1959	17,400	12,900
1960	17,500	13,400
1961	25,400	22,800
1962	23,500	22,800
1963	22,900	21,400
1964	23,800	22,100
1965	23,100	N.A.
1966	28,000	26,000
1967	25,400	N.A.

Exports of Synthetic Rubber by the USSR

In 1959-65 exports of synthetic rubber by the USSR remained fairly constant, ranging from about 32,000-38,000 metric tons per year. In 1966, exports rose by 15,000 tons to total almost 53,000 tons, but rose only by an additional 600 tons in 1967. Exports through 1966 apparently went largely to Eastern Europe. In 1966, when exports of synthetic rubber totalled 52,800 tons, about 85 percent went to Eastern Europe and 14 percent to Cuba and North Korea. Distribution by country of destination in 1966 was as follows:

Bulgaria	12,400
Cuba	6,600
Czechoslovakia	11,600
Hungary	6,900
North Korea	1,000
Poland	3,800
Romania	1,200
Yugoslavia	9,000

The future trend of Soviet exports of synthetic rubber is difficult to predict. Although domestic production appears almost certain to rise substantially in 1968-70, most of the increase should go to meet mounting internal requirements for tires and technical rubber goods. However, part of the increased output probably will be exported. Long-range Soviet agreements with Hungary and Czechoslovakia announced in 1965 and 1968, respectively, suggest that Soviet exports of synthetic rubber to these countries were scheduled to rise during

during 1966-70. In addition, as of 1966, Yugoslavia was scheduled to receive a total of 56,000 tons of rubber from the USSR during 1966-70. The pattern of increased purchases by Yugoslavia was already discernible in 1966, when purchases from the USSR rose to 9,000 tons of synthetic rubber, or 5,500 tons over the level in 1965. In 1965, a long-term trade agreement between the USSR and Austria had called for Austrian imports of 3,000 tons of synthetic rubber per year from the USSR during 1966-70. Soviet foreign trade data for 1966, however, did not show any exports of synthetic rubber to Austria. Comprehensive Soviet data on the distribution of exports in 1967 are not yet available, but the modest increase in total exports suggests that the pattern may not have changed materially. Soviet exports of synthetic rubber are planned to rise in 1968, according to a recent statement by a foreign trade official of the USSR, but there was no indication as of September 1968 of the extent of the increase.

The Soviet potential to sell synthetic rubber in Western markets depends on factors that must still be rated as imponderables. The likelihood of significant exports of Soviet synthetic rubber to developed Western countries in the period through 1970 appears to be slight, both because of rising internal demands and because the quality of Soviet-produced rubber still appears to be poorer than that of countries such as the US or West Germany. On the other hand, the USSR could export to some of the developing countries, particularly if these countries are amenable to barter because of a shortage of foreign exchange.