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CIA HISTORICAL REVIEW PROGRAM
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JUN 1967

MEMORANDUM FOR: Mr. Herman Dworkin
Senior Advisor, DIAAP 3A3
Defense Intelligence Agency
Room 2411, B Building, Arlington Hall Station

SUBJECT : Transmittal of Memorandum on Soviet Involvement
with the Development of Ports on the Mediter-
ranean and Red Seas, the Persian Gulf, Indian
Ocean and Contiguous Waters

1. The attached memorandum is submitted in response to your verbal request of 29 May. We have surveyed only information readily at hand because of the constraints of time. This information has been coordinated, nevertheless, with all responsible area and functional specialists in this organization.

2. Despite the large area involved in your requirement, Soviet involvement with port or shipyard development was found to be relatively minor and limited primarily to a few projects in Egypt, the Yemen and the Somali Republic.

FOR THE DIRECTOR OF RESEARCH AND REPORTS:

Chief, Economic Research Area

Enclosure:

As stated above.

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GROUP 1
Excluded from autom:
downgrading and
declassification

ORR Project No. S-2334

Soviet Involvement with the Development of
Ports on the Mediterranean and Red Seas, the
Persian Gulf, Indian Ocean and Contiguous Waters

1 June 1967

Summary

Involvement of the USSR in the development of ports, shipyards or drydocks in the subject area under survey has concentrated principally on shipyard facilities at Alexandria, Egypt and on construction and expansion of port facilities at Berbera in the Somali Republic and Hodeida in the Yemen. Facilities at these strategic locations could be used for refuelling, maintenance and repair of Soviet naval and merchant ships, but also are consistent with each country's own requirements.

The USSR has been involved on a smaller scale in the development of port facilities to support a fishing fleet at Tema in Ghana, where Soviet influence is now fairly well discredited. A survey of a shipyard at Basrah, Iraq was also carried out sometime ago but there are no indications of further involvement. Although the Soviets are participating in the development of internal transportation facilities in other countries including Syria and Indonesia, there is no evidence that they are or have been engaged elsewhere in the area in the development of port, shipyard or drydock facilities.

1. Egypt

A new shipyard at Alexandria is being constructed at an estimated cost of \$39 million, for which a \$17 million credit has been provided by the USSR. The prime contractor is an Egyptian firm but the USSR is assisting with the design and is providing consulting engineers and most of the imported machinery. Construction has

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been in progress since at least 1962, and initially was scheduled for completion in 1968. The first stage was officially opened in July 1965 with the capability of building and repairing coastal ships, tugs and pilot and fishing boats up to 800 gross tons. Four tugs and three submarine chasers were assembled in 1966. At least one naval vessel of destroyer size built at Alexandria has already been launched.

The shipyard will have after completion, probably by 1969 or 1970, 3,280 feet of fitting-out wharves and two buildingways, each 558 feet long, capable of building cargo ships up to 25,000 dwt or tankers up to 20,000 dwt. A third buildingway will be used for the construction of smaller ships. The yard will be equipped with cranes with lifting capacities of 5 to 35 tons. Soviet citizens are staffing the vocational training center which the USSR provided for the shipyard. Soviet VIP interest in the project continues as evidenced by the visit of the Soviet Deputy Minister of Shipbuilding in September 1966 to "coordinate cooperation for the promotion of shipbuilding at Alexandria".

The Soviets are involved in Egyptian ports and shipping in a number of other minor ways. The USSR furnished in 1964 for Alexandria port a floating dock of 6,000 tons capacity built at Kherson shipyard.

There was also an agreement by the Soviets in 1964 to participate in the development of a fishing port at Ras Banas. An

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estimated requirement of \$7 million was to include a fleet of 10 fishing boats and a cannery. The agreement was renewed in June 1965, with stipulations for services to be rendered to Soviet fishing boats to be included in later agreements. There is no evidence of construction at the port. In addition, a joint Egyptian/Soviet merchant shipping line was established in 1964 and Soviet technicians have participated in feasibility studies for a projected commercial port near Damietta.

To date, Soviet participation in Egyptian port and shipyard development has not resulted in any particular advantages for the USSR. Port and shipyard improvement has long been an important goal of Egyptian planning. Cairo is anxious to improve its own growing naval and maritime capability, in order to reduce its foreign expenditure for naval repairs and for civil shipping and marine services. Furthermore, drydock and repair facilities near the Suez Canal lanes are seen as significant prospective earners of hard currency. To this end, Egypt has sought and received assistance from a number of non-Soviet sources -- notably West Germany and Yugoslavia. Soviet and other Communist merchant shipping, in common with all merchant shipping, has access to Soviet-built facilities and to the West-German built drydock in Alexandria, the Yugoslav-built floating drydock in that port, and the West German-built and supervised shipyard near Port Said. The Soviets are not known to have sought or received any particular concessions for their naval vessels.

2. Somali Republic

The USSR has been involved since 1963 with the construction of the Somali port of Berbera, strategically located on the Gulf of Aden not far from the Red Sea. The port is expected to serve as a naval base as well as a commercial port. Initially \$5.6 million were allotted to this port development project as part of a \$44.4 million line of credit extended by the USSR in 1961. Estimated total cost of construction was about \$7 million.

Development plans include the following:

- (a) dredging to permit entry of ships with a draught of 9.5 meters;
- (b) 2 loading piers - total length of 320 meters;
- (c) 5-6,000 square meters of covered warehousing;
- (d) 13-15,000 square meters of open storage area;
- (e) workshop - administrative buildings - living quarters.

Planned capacity of the port is to be 400,000 tons per year.

Initially 35 Soviet technicians were to be employed and the number was to increase to 120-150. However in 1966, only 53 Soviet technicians had been identified as present at the port.

The total amount of equipment and material delivered to date is not known. However during 1965 the following was delivered by Soviet ships:

- (a) 1 Barge, self propelled;
- (b) 2 Dredges;

- (c) 1 Drilling rig;
- (d) 2 Pile drivers - (floating);
- (e) 1 Tugboat, 47 foot - single screw;
- (f) 1,247 tons of piles (19 meter lengths);
- (g) 115 tons of timber;
- (h) 13,387 tons of cement and 5,000 tons of other material, some or all of which may have been for the port project.

Berbera port was originally scheduled for completion in 1965. However US officials who toured the port in October 1966 reported that the project would require a year or more for completion. At that time one-fourth of the dock piling was in place. They also reported that the slow progress was evidently not due to a shortage of material or unusual engineering problems but rather to the failure of the Somali government to pay local workers. The Soviet chief engineer was openly annoyed at the failure of the Somalis to provide enough labor. According to a report

in January 1967, the project was only 40 percent completed in December 1966 when officials visited the port.

3. Yemen

Soviet technicians were engaged in the construction of the port of Hodeida during 1958-62. Approximately \$15 million was allocated to this port construction as part of a line of credit from the USSR which was extended in 1956.

The scope of this project included the following:

- (a) Dredging a channel nine kilometers long to a depth of 25 feet.
- (b) Construction of 1,350 feet of docking space. (3 quays)
- (c) Installation of three cranes each of five tons capacity.
- (d) Construction of a warehouse with 11,700 square meters of storage space.
- (e) Construction of a machine shop for the repair of small ship parts, cranes and motor cars.
- (f) Installation of a fresh water supply system.
- (g) Installation of a 1,200 KW diesel power station.
- (h) Installation of a port illumination system for night operations.
- (i) Installation of eight vertical and five horizontal fuel storage tanks with a combined capacity of 9,000 cubic meters. Two of these tanks can be utilized for the storage of bunkering fuel - capacity 2,000 tons.

In addition there are at the port six high pressure underwater pipelines for the discharge of oil cargo and for bunkering. Three are 6" and three 8" diameter. An unusual aspect of the present harbor installation is the cranes which are only capable of handling five tons. All observers agree that the crane base is capable of lifting much more; simply by replacing the cable and a portion of the arm the cranes would have a 35 ton capacity and be capable of off-loading

heavy equipment.

About 300 Soviet technicians and 2,000 Yemeni workers were employed on the project which was completed and officially turned over to the Yemeni government in June 1962. At that time about 50 of the 300 Soviet technicians remained on the job to train Yemeni personnel and to act as pilots for ocean ships. About a dozen Soviets were assigned as permanent advisors. Yemen remains dependent upon Soviet assistance if it intends to maintain the harbor in its present condition and introduce modifications from time to time. Although the port was intended to be capable of handling 10,000 ton ships, western observers report that the channel is too shallow to handle a fully loaded 10,000 tonner. Moreover, depth alongside the quays is 25 to 27 feet in some places but only 16 feet at ends of quays. The port has not been dredged since completion in 1962 and the Soviet dredge has been removed.

Under a March 1964 agreement, the fishing port at Hodeida is to be expanded by 40 percent of its present capacity. Estimated cost including the cannery, workshops, 6-7 fishing boats and a new power station, is about \$8 million. Construction is scheduled to begin in July 1967. Perhaps 10 Soviet technicians were involved in planning for this project in 1966. The agreement states that Yemen will provide the Soviet fishing fleet with facilities, water, fuel, supplies and repairs.

Hodeida is Yemen's only modern port and has begun handling a

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significant share of Yemeni foreign trade. Most goods destined for Yemen passed through Aden prior to 1963. Since that time, direct deliveries to Hodeida, almost entirely on Communist and Egyptian vessels, have increased, and roughly one-quarter of Yemen's conventional foreign trade probably is being handled through Hodeida. In addition, all seaborne military equipment deliveries from the Communist countries and from Egypt are made to Hodeida, and Hodeida is the terminus for all Egyptian seaborne personnel movements. As presently constructed, Hodeida is not considered a desirable port for submarines or other naval vessels.

4. Iraq

Although the Soviets are major participants in the construction of the standard gauge railroads to both the ports of Basrah and Um Qasr, the only Soviet port-related project known in Iraq was a now-completed survey for a shipyard at Basrah. Cost of the survey was \$1.5 million paid under a Soviet line of credit issued in March 1959. No work on a shipyard has been detected and further details are unavailable.

5. Ghana

The USSR supplied a floating repair workshop and a floating dock to the Tema fishing port in 1964. These facilities are not in use, however, as the repair ship has electrical and other operational difficulties and no means exist to repair the floating dock. The

Ghanian government hopes to use the repair ship at some other harbor; no plans exist for acquiring more floating docks or for other additions to Tema by the Soviets. A British firm is now enlarging the port.

6. Guinea

The Soviets, Poles, and West Germans have all attempted to assist the Guinean fishing industry during the past few years, but little has been accomplished. In 1961 and 1962 the Soviets supplied new berths and made minor repairs at Conakry and provided lighterage equipment. Early in 1967 the USSR turned down Guinean requests for the construction of a fish cannery and fishing boat building facility. On 23 March 1967 West Germany provided a \$1.25 million grant to develop a local fishing industry under close German supervision. The project includes a shipyard installation with fishing boat construction facilities.