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CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED
1999

21 July 1972

MEMORANDUM FOR:

/DDP

SUBJECT : Soviet-Belgian Mixed Companies

1. The following information on the above subject was prepared per your request of 18 July 1972. We will be happy to provide any additional data you require.

2. There are five Soviet-Belgian mixed companies in Belgium -- Scaldia-Volga, Belso, Nafta "B", Transworld Marine Agency, and Ferchinex.

(1) Scaldia-Volga was incorporated in April 1964 and capitalized at 15 million Belgian francs (US \$335,000 at current central rate). The firm's principal activity is stated as the sale of automotive vehicles and tractors. Two-thirds of the outstanding shares in 1970 were controlled by the USSR state organizations Autoexport, Machinoexport, and Traktorexport, while the remaining shares were held by the Bruxelloise d'Auto-Transports (Beherman Group), Belgian nationals.

(2) Belso (Belgo-Soviet commercial firm) was incorporated in May 1966 and capitalized at 10 million Belgian francs (US \$223,000). The firm engages in the sale of various types of commodities and merchandise of USSR origin and acts as a USSR purchasing agent in Western Europe. The Soviet state organizations Vneshposyltorg, Prodintorg, and Vostokintorg controlled half of the outstanding shares in 1970 while various Belgian nationals controlled the rest.

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(3) Nafta "B" was founded in 1967 and capitalized at 12 million Belgian francs (US \$268,000). The firm engages in the sale of petroleum products. Four Soviet organizations in 1970 controlled 60% of the firm's capital:

Sojuznefeexport	20%
Sojuzpromexport	15%
Autoexport	15%
Sojuzchimexport	10%

(4) Transworld Marine Agency was incorporated in August 1969 and capitalized at five million Belgian francs (US \$112,000). The firm performs all activities of a maritime agency, acting as freight forwarder, customs representative, shipping agent, insurer, financier, travel agent, etc. It serves as the shipping agent for a large number of Soviet Bloc vessels that annually call at Antwerp. Five Soviet organizations in 1970 controlled 75% of the firm's capital:

Vsesojuznoje Objedinenije "Sovinflot"	20%
Baltic Steamship Company	16%
Murmansk Steamship Company	13%
Latvian Steamship Company	13%
Vsesojuznoje Objedinenije "Sovfracht"	13%

(5) Ferchinex is a recently formed chemical import firm.

3. The attached table on Belgium-Luxembourg-USSR trade over the past decade responds to g discussions on July 18. The trade figures are taken from official Belgian statistics (Bulletin Mensuel Du Commerce Extérieur De L'Union Economique Belgo-Luxembourgeoise). Values have been converted at the current central rate 44.8159 Belgian francs = 1 US dollar.

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4. The principal conclusions derived from Belgium-Luxembourg-USSR trade figures are:

a) The USSR accounts for only a small share of Belgian trade. During the past decade the USSR's share of total Belgian imports remained at 0.8% while its share of total Belgian exports declined from 0.7% to 0.5%. Major Belgian imports from the USSR include lumber, crude petroleum, fertilizers and pesticides. Major Belgian exports to the USSR in recent years include textile raw materials, clothing and machinery and equipment.

b) Belgium has had a chronic deficit in its trade with the USSR throughout the past decade. This deficit rose from US \$9 million in 1961 to a near record US \$41 million in 1971. During the past two years Belgium's trade deficit with the USSR has increased appreciably as imports have far outpaced exports. Imports from the USSR rose by 31% in both 1970 and 1971 while Belgian exports to the USSR rose by only 6% and 19% respectively.

Acting Chief,

Office of Economic Research

Attachment:
As stated

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Belgium-Luxembourg-USSR Trade
(thousand US dollars)

	<u>Imports</u>	<u>Exports</u>	<u>Balance</u>
1961	39,357	30,509	- 8,848
1962	51,271	28,553	-22,718
1963	56,900	14,739	-42,161
1964	55,434	16,405	-39,029
1965	51,635	25,425	-26,210
1966	67,621	29,444	-38,177
1967	66,352	44,935	-21,417
1968	73,793	52,905	-20,888
1969	65,521	56,923	- 8,598
1970	85,992	60,186	-25,806
1971	112,261	71,751	-40,510

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