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CURRENT SUPPORT BRIEF

POLISH PLANS FOR INCREASED COPPER OUTPUT

OFFICE OF RESEARCH AND REPORTS

CENTRAL INTELLIGENCE AGENCY

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POLISH PLANS FOR INCREASED COPPER OUTPUT

Long-term plans for the copper industry in Poland represent a major investment project and point toward the country's becoming the leading producer of this nonferrous metal in the European Satellite area. An output of possibly 90,000 tons* a year by 1975 is envisioned as the consequence of deposits of copper ore discovered in 1957 in the so-called Western Territories. The probable level of output would make Poland virtually self-sufficient in copper. 1/

The "new" deposits lie in the Glogow-Lubin area, some 50 to 75 miles northeast of those that have been mined for many years in the vicinity of Zlotoryja. Reserves of 10 to 15 million tons of copper--as well as significant amounts of other metals, including silver, nickel, and molybdenum--are claimed. Construction of the first of three mines planned to exploit these deposits is under way. Also planned are an ore processing plant and, eventually, increased refining capacity. As ore output from the first mine is not expected to become significant before 1966, refining capacity in addition to that already scheduled for completion by the end of 1963 may not be needed before 1970 or so, when all three mines should be operating. Available information does not specify whether an entirely new smelting and refining installation or still further extension of the present plant at Legnica is contemplated. 2/

Development of the "new basin" is planned to take place over a ten-year period and will require sizable investments. So far, Poland has allocated 15 billion zlotys--approximately equivalent to 40 percent of the country's total industrial investment in 1960--for industrial installations, housing, and other facilities connected with the project. 3/ Poland is not to rely wholly on its own resources, however. A capital loan of US \$125 million is to be received from Czechoslovakia and is to be repaid in copper--the third conspicuous linking of the economies of these two countries.** This credit, the largest yet extended by Czechoslovakia to any Bloc country, is to cover deliveries of Czechoslovak machinery and equipment for several important investment projects in addition to copper mining. 5/ The portion earmarked for the copper project has not been disclosed. The Polish press notes, however, that the loan will allow Poland to invest in the new copper basin from its own resources. 6/

Poland's present copper industry is small compared with that planned for the future. Ore from the deposits under exploitation near Zlotoryja has proved difficult to process and the reserves more limited than had been anticipated. At present, about as much refined copper is derived from imported blister copper, imported concentrates, and scrap, as from domestically produced ore. About 22,000

* Metric tons are used throughout this Brief.

** Two previous credits were extended Poland by Czechoslovakia in 1957. These concerned deliveries of Czechoslovak machinery and equipment for development of hard coal mines and for exploitation of sulfur deposits, with repayment in the form of deliveries of coal and sulfur. 4/

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tons of refined copper were produced in 1960--roughly one quarter of the output of the European Satellites. Most of the copper ore produced in Poland is smelted and refined at Legnica, but additional facilities exist at the Szopienice zinc plant near Katowice, where both imported and domestic blister copper are refined.

The persistent Bloc-wide shortage of copper is acute in Poland where a widening gap between domestic supplies and growing industrial requirements is in prospect for some time ahead. Poland probably plans imports on the order of 30,000 tons of refined copper in 1965, 7/ or about 10,000 tons more than were imported in 1959. 8/ Necessity to import refined copper in such quantities constitutes a continuing strain on balances of payments, particularly in hard currency areas.

Fulfillment of long-term plans for developing the copper industry would be very favorable to Poland. Discounting future export commitments to Czechoslovakia--to be based on a fixed percentage of output for a ten-year period beginning in 1969--Poland would attain virtual self-sufficiency in copper by 1975.

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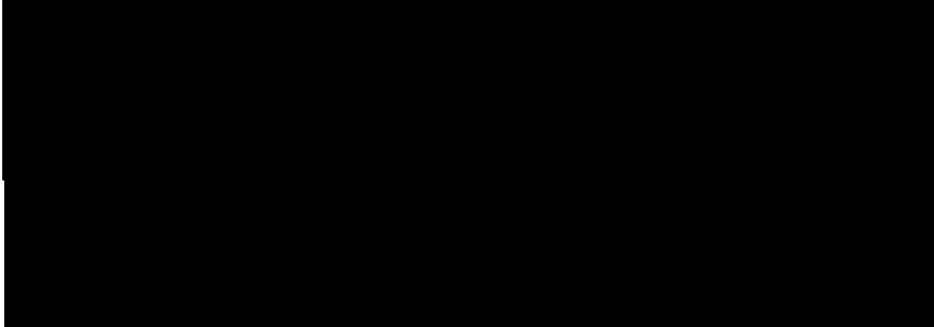
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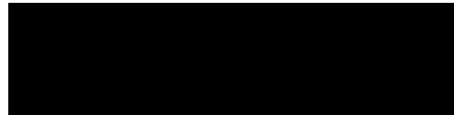
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