Current Support Brief

BULGARIA BEGINS PRODUCTION AT ONE OF THE TEN LARGEST NITROGEN FERTILIZER PLANTS IN THE WORLD

CIA/RR CB 63-60

12 July 1963

CENTRAL INTELLIGENCE AGENCY

Office of Research and Reports

WARNING

This material contains information affecting the National Defense of the United States within the meaning of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

Approved For Release 2002/02/11 : CIA-RDP79T01003A001700050001-7

BULGARIA BEGINS PRODUCTION AT ONE OF THE TEN LARGEST NITROGEN FERTILIZER PLANTS IN THE WORLD

Bulgaria announced on 26 April 1963 the start of production of ammonium nitrate at its new nitrogen fertilizer plant on the Kalitinovo railroad near Stara Zagora. 1/ This plant, construction of which is being accomplished in large part through Soviet aid, is scheduled for completion in 1963 2/ and reportedly is one of the 10 largest plants of this type in the world. 3/ The designed annual capacity is believed to be about 200,000 metric tons of ammonia as the initial product 4/ and about 450,000 metric tons of ammonium nitrate as the end product. When put into full operation, presumably in 1964 or 1965, the Stara Zagora plant will benefit the Bulgarian economy in several ways. The availability of nitrogen fertilizers will be more than doubled compared with 1961 and, in turn, should contribute to an increase in agricultural output. Moreover, the plant will provide additional full-time employment for nearly 3,000 persons in an area that has surplus labor. Requirements for electric power, coal, and rail transportation will be increased by the activity of the new plant. Finally, Bulgaria will be able to reduce or even discontinue the importation of nitrogen fertilizers with resultant benefits to its foreign trade position.

1. Aid from the USSR

Bulgaria has obtained appreciable financial and technical assistance from the USSR to construct the Stara Zagora plant. This project, among several others, was included in two long-term loans from the USSR: one of 200 million old rubles (about US $50 million)* in 1957 and another, evidently negotiated in 1963, reported to be approximately 1 billion new leva (about US $855 million)*. The latter is to be made available over the

* Dollar values in this publication were derived from ruble or lev ratios by means of official rates of exchange and may not reflect accurately the purchasing power of the Bloc currencies.

next 10 or 15 years. Total planned investment in the plant reportedly is US $90 million. 6/ Bulgaria was to provide one-third of the machinery and equipment for the plant, 7/ with the USSR presumably supplying the remainder, except for a small amount from East Germany. The blueprints for the plant and the technicians needed for its construction have been provided by the USSR. 8/

2. Significance

The planned output of the Stara Zagora plant and the nitrogen and phosphorus fertilizers to be produced at Bulgaria's other fertilizer plant at Dimitrovgrad and at a coke-chemical plant under construction at Kremikovtsi are expected to be sufficient to supply 80 percent of Bulgaria's needs for all types of chemical fertilizer by 1965. 9/ Through 1960, Bulgaria exported small quantities of nitrogen fertilizers, especially to other members of the Bloc, but imported much larger quantities from the USSR, East Germany, and certain Western countries, such as West Germany. In an apparent effort to improve its foreign trade position, Bulgaria discontinued imports from the West and increased exports of nitrogen fertilizers in 1961, becoming a net exporter, but since 1959 a sharp decline has resulted in the amount of such fertilizer available for domestic agriculture (see the table). Such a condition is expected to be reversed by the increased supply of nitrogen fertilizer to be made available by the Stara Zagora plant. Domestic consumption of chemical fertilizer is scheduled to increase from 32 kilograms per hectare of arable land in 1960 to 80 kilograms by 1965. 10/ Inasmuch as the type most needed is nitrogen fertilizer, the Stara Zagora plant will be a decisive factor in reaching this goal.

The increased availability of fertilizer for domestic use should contribute to an increase in agricultural production. Nitrogen fertilizer is particularly important for such crops as vegetables, tobacco, sugar beets, corn, and sunflowers. Because the best response to the use of nitrogen fertilizer in Bulgaria has been on irrigated land, the country's future demand for this type of fertilizer is closely connected with the plan to irrigate approximately 60 percent of the arable land by 1980. 11/

Table

Production, Foreign Trade, and Domestic Availability of Nitrogen Fertilizer in Bulgaria a/ 1955 and 1959-61

Metric Tons of Gross Weight

	1955	1959	1960	1961
Production	94,135	185,420	247,763	262,765
Imports	49,400	348,650	87,781	57,200 b/
Exports	20,159	33,565	26,008	67,685
Amount available for domestic use	113,376	500,505	309,536	252,280

a. 12/
b. Estimated on the basis of total fertilizer imported.

In addition to improvements in agriculture, benefits to the economy as a whole are expected to accrue from this development. Bulgaria not only should be able to reduce or even discontinue its imports of nitrogen fertilizer, which amounted to 144.5 million old leva (about US $21 million) during 1958-61, 13/ but also will be able to export fertilizer without excessive detriment to domestic agriculture. By providing full-time employment for 2,800 persons, 14/ the plant will help improve employment conditions in the Stara Zagora area. In 1957, when the location of the new fertilizer plant was to be decided, the Stara Zagora area came under consideration, among other reasons, because of the unemployment existing there at that time. 15/ The number of persons to be employed at the plant is equal to 8 percent of the total number of industrial employees in Stara Zagora Okrug in 1961, as well as to more than 12 percent of the total number of employees in the chemical and rubber industry in the same year. 16/ Major new demands for power, raw materials, transportation, and other goods and services, of course, will be created. By 1965 this plant reportedly will consume 4 million to 5 million tons of coal and 860 million kilowatt-hours of electricity per year. 17/ These inputs will be equal to about 11 to 14 percent of the planned output of coal and to about 8 percent of the total output of electric power planned in Bulgaria for 1965.

Next 1 Page(s) In Document Exempt

Approved For Release 2002/02/11 : CIA-RDP79T01003A001700050001-7

Next 3 Page(s) In Document Exempt

Approved For Release 2002/02/11 : CIA-RDP79T01003A001700050001-7