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(August 1975)

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IN LESS DEVELOPED COUNTRIES

August 1975

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On 13 August, Mexico signed a cooperation agreement with the Council for Mutual Economic Assistance, calling for the establishment of a joint commission to explore cooperation in oil and natural gas. The agreement appears to be general in nature and probably is similar to one signed by Iraq last month. (For Official Use Only)

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September 1975

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A protocol with Cairo calls for a joint Romanian-Egyptian bank, Romania's first such venture in the Third World. The bank, to be located in Egypt, is capitalized at \$25 million with 49% Romanian ownership. Under Egyptian law, the bank will be permitted to conduct transactions in local and foreign currencies. Industrial agreements signed at the same time call for implementation of projects agreed to under earlier credits: soda and sulfuric acid plants, the Hamrawein phosphate complex, a petrochemical project, and an agricultural complex. Romania offered \$100 million in new development credits to be made available when the \$125 million worth of aid still outstanding under existing credits is drawn. (For Official Use Only)

Romania signed agreements with Iran to provide cement plants, bakeries, machine tool plants, and a sodium silicate plant. Technicians will undertake feasibility studies for expanding a chemical plant at Shiraz, electrification of the Bandar Abbas railroad, building an oil refinery and petrochemical plant, and prefabricated housing projects. Aid to agriculture also will be increased through the construction of grain silos and cold storage facilities in Iran. (For Official Use Only)

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[REDACTED] The shipment provides evidence that the USSR is honoring prior military agreements with Iraq, despite the strains that have developed between the two countries. (Secret)

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Syria To End Soviet Petroleum Activity

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Under recent concessions granted to Western firms, Syria will repay exploration and development expenses from production only if oil is found. Under the Soviet program, Syria must pay for Soviet equipment and services even if the venture fails. Beyond the possible financial advantages, however, Western technology is considered superior. (Unclassified)

Nonetheless, Soviet credits totaling \$50 million, have been the major support for establishing Syria's national oil industry, an industry that currently produces about 160,000 barrels a day. (Unclassified)

OTHER ACTIVITIES

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Africa

Somalia. A Somalian fishing industry official was in Moscow during August to negotiate implementation of fisheries projects under a recent \$60 million Soviet credit to Somalia. (Unclassified)

Sudan. Sudan announced in August that a Bulgarian delegation is expected soon in Khartoum to sign a \$20 million credit agreement. The accord probably will reactivate 1967 credits that have gone unused. Sofia probably plans to go ahead with meat and vegetable processing facilities called for under the original agreement. (Unclassified)

Uganda. The USSR presented a preliminary mineral exploration report prepared by Soviet geologists in Uganda earlier this year. This is the first reference to Soviet assistance to geological exploration in Uganda. Further Soviet activity in this field probably would require new credits, as most of the \$15 million in aid previously provided has been used. (Unclassified)

Zaire. At a meeting of their joint commission in mid-August, Romania and Zaire discussed formation of a joint agricultural and livestock development company. (Unclassified)

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Bolivia. Bolivia has approved the final designs for a second Soviet tin volatilization plant, with a total cost of \$15 million. Installation of the first unit at Potosi has been plagued with delays and cost overruns. Original estimates put the cost of each plant at \$8.5 million, of which \$6 million represented Soviet equipment to be financed with a \$28 million Soviet credit. (For Official Use Only)

Dominican Republic. Romania has purchased \$16 million worth of sugar from the Dominican Republic so far this year. Trade between the two countries previously had been negligible. (Unclassified)

Jamaica. A Chinese textile team arrived in Jamaica in mid-July to study several textile projects first discussed when Jamaica established diplomatic relations with China in March 1974. (For Official Use Only)

Colombia. Colombia signed contracts valued at \$21 million to purchase buses from Hungary and streetcars from the USSR. The National Federation of Coffee Growers is acting as intermediary in the \$12 million Soviet deal and will finance the sale of streetcars to Bogota over 10 years at 15% interest. The Hungarian buses will be financed under a trade agreement. (Unclassified)

Chile. China has entered negotiations with Chile to purchase chemical products, presumably nitrates. Last year, Chile sold about 65,000 tons of nitrates to China, but shipments in 1975 have been negligible. (Unclassified)

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Afghanistan. On 22 July, Czechoslovakia signed a \$6.5 million aid contract to provide buses for a transportation project in Kabul and agreed to assist a powerplant at Herat. (Unclassified)

Egypt. Egypt recently announced the completion of two poultry combines, a vegetable dehydrating plant, and a meat processing plant constructed by Bulgaria under credit agreements valued at \$37 million. (Unclassified)

Iran. The USSR signed a contract on 6 August to begin electrification of the 90-mile rail line from Tabriz to Julfa, on the Soviet border. The USSR extended \$18 million in credits in 1968 for rehabilitation of the line. (Unclassified)

Pakistan. Chinese experts arrived in Pakistan early in August to work out final details on construction of a sports complex at Islamabad, scheduled to begin in October. The \$35 million complex, to be completed for the 1976 Asian Games, is being financed under a 1970 credit for \$200 million. The two sides also recently agreed to start work on a \$2.9 million textile complex in Punjab under the same credit. (Unclassified)

Sri Lanka. At the close of trade talks in Moscow in August, it was announced that Soviet-Sri Lankan trade is planned to increase by 50% in 1975 to approximately \$26 million. Aid deliveries for expansion of the Soviet-built Oruwala steel mill will contribute heavily to the increase in Soviet exports, while Sri Lanka will expand shipments of traditional agricultural goods. (Unclassified)

Syria. Czechoslovakia signed a contract on 30 July to equip a \$105 million tire plant at Hama. The financial arrangements for the project were not revealed. (Unclassified)

Military

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Guinea. A Guinean delegation headed by the minister of defense visited Bucharest in mid-August at the invitation of Romanian military officials. (Unclassified)

Mali. The USSR has expanded military deliveries to Mali over the past three months. A Soviet ship arrived in Conakry with tanks, APCs, and one truck-mounted missile launcher destined for Mali. In May and June, Mali received [REDACTED] MIG-17s and [REDACTED] MIG-15 trainer [REDACTED]

25X1B

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[REDACTED] (Secret) [REDACTED]

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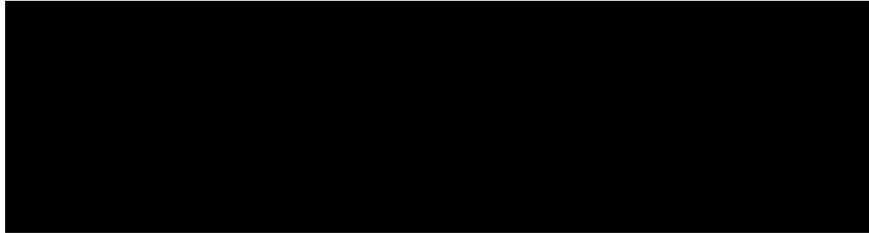
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