

47886

**SECRET**



Copy **Nº**

**397**

25X1

## BIWEEKLY REPORT

# SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/192

17 June 1963

PREPARED BY THE WORKING GROUP  
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

**SECRET**



25X1

GROUP 1  
EXCLUDED FROM AUTOMATIC  
DOWNGRADING AND  
DECLASSIFICATION

25X1

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700020064-9

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700020064-9

~~SECRET~~

Summary of Events  
31 May - 13 June 1963

Cuban exports of sugar to the Communist Bloc, which totaled \$400 million in 1962, may be reduced as much as \$100 million in 1963. Such exports to the Free World probably will increase in 1963 following the rise in the world price of sugar and probably will amount to roughly \$200 million compared with about \$130 million in 1962. It appears that the Bloc has been willing to accept a reduction in its sugar imports in order that Cuba may maintain its exports to the Free World.

Evidence mounts that Iraq may have canceled its orders for Soviet surface-to-air missiles (SAM) and aid in the construction of three military plants. The continuation of SAM training, however, suggests that the program costing about \$17 million may be pared down rather than canceled outright. Negotiations affecting the entire military assistance program apparently are still in progress.

Soviet Bloc countries have recently expanded relations with some of the countries of the UAM, which in the past have been quite cautious in their dealings with the Bloc. Senegal and Dahomey have accepted Bloc diplomatic missions, and Niger, Dahomey, and Cameroon have signed agreements for cultural exchanges and economic and technical assistance. These agreements show an increasing willingness on the part of several UAM states to expand contacts with the Bloc, but it is doubtful that relations of present UAM governments with the Bloc will become very close.

Algeria and Bulgaria have reached preliminary agreement on a \$6 million long-term economic development credit -- the first credit of this kind extended by a Bloc country to Algeria.

The size of the Soviet credit to Cambodia for financing the Kamchay hydroelectric project is reported at \$12.2 million, which is about \$4 million less than the Soviet Ambassador had estimated in April. It will carry an interest rate of 2.5 percent and will be repayable over a 12-year period.

~~SECRET~~

SECRET

An Indonesian economic and military mission departed by air for Moscow on 31 May to discuss the rescheduling of Indonesia's debt to the USSR and possible further purchases of Soviet aircraft and equipment. Negotiations reportedly will include the purchase of An-12 transports, inasmuch as a shortage of foreign exchange precludes the purchase of comparable US aircraft.

Agreement for air service between Pakistan and Communist China has been reached by airline authorities of the two countries; arrangements must still be approved by both governments. Although Communist China has signed or negotiated similar agreements with other countries of the Free World, only Bloc airlines presently fly into China.

SECRET

**SECRET**

C O N T E N T S

	<u>Page</u>
I. Latin America . . . . .	1
Cuban Exports of Sugar During 1963 . . . . .	1
II. Middle East . . . . .	3
Possible Cancellation of Iraqi Order of Soviet Missiles . . . . .	3
III. Africa . . . . .	4
A. Bloc Advances in UAM Countries . . . . .	4
B. Bulgarian Credit for Algeria . . . . .	6
IV. Asia . . . . .	6
A. Further Details on the Soviet Credit for a Cam- bodian Hydroelectric Project . . . . .	6
B. Signing of New Indian-Soviet Five Year Trade Agreement . . . . .	7
C. Indonesian Mission to Moscow . . . . .	8
D. Air Service Between Communist China and Pakistan . . . . .	9
V. Brief Notes . . . . .	9
Chile . . . . .	9
Libya . . . . .	10
Syria . . . . .	10

**SECRET**

25X1

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700020064-9

Next 9 Page(s) In Document Exempt

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700020064-9

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700020064-9

**SECRET**

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700020064-9

**SECRET**