



Directorate of
Intelligence

BV-FIS
~~Secret~~ 423250

CIA | GI ----- | 88 - 10011 -----

23280

17 FEB 1988

Warsaw Pact Economic Aid Programs in Non-Communist LDCs: Holding Their Own in 1986

An Intelligence Assessment

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED
1999

NOT MICROFILMED
Fold-outs
For Data Entry Only

~~Secret~~

GI 88-10011
January 1988

Copy

0103

Warning Notice

Intelligence Sources
or Methods Involved
(WNINTEL)

National Security
Information

Unauthorized Disclosure
Subject to Criminal Sanctions

Dissemination Control
Abbreviations

NOFORN (NF)	Not releasable to foreign nationals
NOCONTRACT (NC)	Not releasable to contractors or contractor/consultants
PROPIN (PR)	Caution—proprietary information involved
ORCON (OC)	Dissemination and extraction of information controlled by originator
REL...	This information has been authorized for release to
WN	WNINTEL—Intelligence sources or methods involved

A microfiche copy of this document is available from OIR/DLB (482-7177); printed copies from CPAS/IMC (482-5203); or AIM request to userid CPAS(IMC). Regular receipt of DI reports can be arranged through CPAS/IMC.

Classified by: 0000000
Declassify: OADR
Derived from multiple sources

All material on this page
is Unclassified.



Directorate of
Intelligence

~~Secret~~

Warsaw Pact Economic Aid Programs in Non-Communist LDCs: Holding Their Own in 1986

An Intelligence Assessment

This paper was prepared by [] Office
of Global Issues, and was coordinated with the
Department of State and the Agency for
International Development.

Comments and queries are welcome and may be
directed to []

[] OGI []

**Warsaw Pact Economic Aid
Programs in Non-Communist LDCs:
Holding Their Own in 1986**

Preface

The data on economic agreements reflect the latest information available to us and supersede information in our previous publications. They are derived from a variety of classified and unclassified sources.

For the purpose of this report, the term *Communist countries* refers to the USSR and the following countries of Eastern Europe: Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania. For some economic programs, such as technical services, we include data on Cuban activities where they complement or support Soviet or East European economic objectives in LDCs. The *Communist less developed countries* include Cuba, Cambodia, Laos, Mongolia, North Korea, and Vietnam.

The term *non-Communist less developed countries* includes all countries of Africa except the Republic of South Africa; all countries of East and South Asia except Hong Kong, Japan, and the Asian Communist LDCs listed above; all countries in the Caribbean and Latin America except Cuba; and all countries in the Middle East except Israel. Historical data include about \$50 million in aid to Cambodia and Laos provided before 1975.

The term *Marxist states* refers to countries that have identified themselves as Marxist-Leninist and that rely primarily or entirely on Communist military support to maintain their power. They are Afghanistan, Angola, Ethiopia, Mozambique, Nicaragua, and the People's Democratic Republic of Yemen (South Yemen).

Within the aid context, the terms *agreements*, *commitments*, *extensions*, and *pledges* refer to promises to provide goods and services, either on deferred payment terms or free of charge (grants). Assistance is considered to have been extended when accords are initialed and constitute a formal declaration of intent. Credits with repayment terms of five years or more are included in economic aid totals; they are designated as "trade credits" if amortization is less than 10 years. Concessionary aid includes all grants and credits with repayment periods exceeding 10 years. The terms *drawings*, *disbursements*, and *deliveries* refer to the delivery of goods or the use of service:

Warsaw Pact Economic Aid Programs in Non-Communist LDCs: Holding Their Own in 1986

Summary

*Information available
as of 15 October 1987
was used in this report.*

During 1986, Warsaw Pact countries continued to use their economic aid programs in non-Communist LDCs to increase their presence, to expand equipment sales, and to guarantee return flows of hard currency and resources. Economic aid in 1986 reached \$3.7 billion in commitments and almost \$2 billion in deliveries, about the same as in previous years. New pledges were distributed among 24 countries, although eight of them received 90 percent of the new aid. India, which received the largest credit Moscow has ever provided to a non-Communist LDC, alone absorbed more than half of the new funding

As in most years, the Soviets provided about 80 percent of the new Warsaw Pact aid. Moscow's unusually liberal 17-year repayment terms to India raised the overall concessionality of the Soviet program to its highest level in this decade. Nonetheless, we believe the easy terms to India do not signal a change in Moscow's traditional profit-oriented policy, which relies on trade credits to finance aid dealings in most LDCs. In contrast to India, credits to Nigeria and Libya probably will be repaid in oil and other hard currency resources over a much shorter period

Moscow's commodity support to Marxist states has changed the character of the Soviet aid program in the 1980s. Nearly 25 percent of Moscow's aid to non-Communist LDCs in this decade consists of commodities that represent a net drain on Soviet resources because Moscow is unlikely to collect payment from its destitute clients. Until Moscow took on large-scale support to the Marxist regime in Afghanistan in 1979, it had steadfastly refused to provide more than token commodity support to LDCs. In 1986 the USSR continued heavy commodity deliveries to its newest Marxist client, Nicaragua, which is gaining on Afghanistan as the leading claimant of Soviet commodity aid. Last year, Managua received an unprecedented \$310 million pledge for oil and other resources for 1987 and took delivery on aid goods worth some \$250 million. We believe that commodity aid levels may be at their limit, however, as Soviet planners try to divert resources to finance Gorbachev's ambitious domestic economic program.

Commodity aid disbursements to Marxist states have cut deeply into the USSR's annual profits from the economic program at the same time that trade credits to major Middle Eastern and North African states, which promote Soviet equipment sales and hard currency income, have slumped to new lows. Nonetheless, the USSR continues to benefit from the LDC

aid relationship with an economic presence in 65 countries, \$1 billion a year in equipment sales on credit, \$150 million in hard currency revenues from technical services, access to \$2 billion annually in raw materials, some as aid repayments, and the ability to provide low-risk support to Marxist regimes such as Nicaragua and Ethiopia, where more aggressive programs could be politically risky

Economic aid commitments from Eastern Europe remained well below the \$1 billion mark in 1986, in our view reflecting a lack of opportunities to bid on development contracts, as well as a growing reluctance to satisfy Moscow's demands that Eastern Europe commit major new resources to most Marxist states. The \$780 million of aid that was pledged mostly went to stimulate equipment sales in Africa and the Middle East.

Finally, student training, one of the Warsaw Pact's most effective economic penetration programs, also appears threatened by events in 1986. We believe that the USSR and Eastern Europe may judge it necessary to restrict the flow of students from LDCs as the AIDS epidemic intensifies. About one-third of the LDC scholarship holders in the USSR and Eastern Europe traditionally come from high-risk Sub-Saharan African countries.

Joint ventures represent a bright spot in the Soviet-LDC economic picture. Moscow has revised its investment laws to permit ownership in foreign ventures. Such ventures would give the Soviets a low-cost means to expand hard currency and product returns from Third World raw materials producers in exchange for machinery and equipment as their partnership share

Contents

	<i>Page</i>
Preface	iii
Summary	v
Introduction	1
Developments in 1986	1
USSR: A More Concessional Program in 1986	1
Export Promotion: Still a Major Goal	4
A Steady Payback	5
Eastern Europe: A Holding Pattern	7
Disbursements: A Continuing Downtrend	8
The Technical Presence: A Dramatic Reduction	8
Student Training Programs: A Look Behind the Numbers	9
Outlook: More Demands, Fewer Returns	10
Appendix	
Regional Overview	15

Warsaw Pact Economic Aid Programs in Non-Communist LDCs: Holding Their Own in 1986

Introduction

Economic assistance has been an important element in Warsaw Pact foreign policy since the USSR extended its first credits to its Asian neighbors in 1954. Together with military sales, the Kremlin and Eastern Europe have used their economic aid programs to contest Western influence in LDCs, to expand trade, to gain access to strategic raw materials, and to increase hard currency earnings.

Soviet economic aid usually has not had the deep impact of the military program: it has been both smaller and harder to implement. In the early years, when some LDCs were reluctant to accept a Soviet military presence, economic and military pledges were roughly equal. The gap widened in the mid-1960s and now, for every dollar in economic aid delivered, Moscow has transferred nearly \$10 worth of arms. On the other hand, East European countries have always depended on economic ties to sustain LDC relations: economic aid pledges since 1955 have exceeded military agreements by \$2 billion. East European aid programs are designed mainly to finance equipment sales.

Personnel exchanges have become an increasingly important component of Warsaw Pact relations with LDCs and always provide good financial and political returns in the form of hard currency earnings and an increased technical presence. Technical services and academic training programs extend to 112 countries, including 45 that have accepted no other forms of Communist aid.

Developments in 1986

Warsaw Pact economic aid programs in non-Communist LDCs reached over \$3.7 billion in new commitments and almost \$2 billion in deliveries during 1986. The new agreements brought total Warsaw Pact aid commitments to developing countries since the mid-1950s to nearly \$55 billion, less than half of which has been delivered (see table 1).

Although total aid pledged went to 27 countries, the Pact followed its usual practice of concentrating assistance on a few traditional recipients: eight countries received 90 percent of the new aid (see table 2). Moscow made its largest single aid commitment ever to an LDC—\$2.1 billion to India for energy and other projects. Major East European credits went to Algeria (\$200 million), Angola and Egypt (\$100 million each), and the Sudan (\$117 million) to finance equipment sales.

Personnel exchanges—traditionally a key element of Communist penetration efforts and a steady source of hard currency—remained a mainstay in 1986. More than 100,000 students from 110 LDCs were being trained at Communist educational facilities in 1986. The number of Warsaw Pact technicians abroad, however, dropped by more than 20 percent because of austerity or war-induced cutbacks in Iran, Iraq, Libya, and Syria. Even at this reduced level technical services earn the USSR and its allies more than half a billion dollars a year in hard currency from LDCs.

USSR: A More Concessional Program in 1986

Moscow pledged \$3 billion¹ in aid to non-Communist LDCs in 1986. Although this was about the same level as in 1985, several developments ran counter to patterns observed in recent years:

- *Fewer countries received new aid.* Moscow signed new aid agreements with only 14 countries, compared with 20 the year before. More important, many pledges required no long-term commitment of

¹ This figure was bolstered by an 18-percent rise in the value of the ruble against the dollar; otherwise new pledges would have been lower than last year; this difference does not affect any of the conclusions in the paper. The total also excludes new credits of unknown value to Gabon, Libya, and Nigeria, which could amount to several billion dollars.

Warsaw Pact: Economic Aid to Non-Communist LDCs

	Agreements			Disbursements		
	Total	USSR	Eastern Europe	Total	USSR	Eastern Europe
Total*	54,700	37,685	17,015	25,675	17,670	8,005
1954-80	34,755	23,245	11,510	13,645	9,485	4,160
1981	1,740	845	895	1,435	925	510
1982	2,050	1,420	625	2,035	1,350	690
1983	3,595	3,185	410	2,365	1,645	720
1984	5,195	3,120	2,075	2,235	1,510	725
1985	3,625	2,905	720	2,025	1,450	575
1986	3,740	2,960	780	1,930	1,305	625

* Data are rounded to the nearest 5. Because of rounding, components may not add to the totals shown.

resources: only seven countries received project aid last year, compared with 15 countries a year on average in the 1980s. This suggests that officials charged with administering the program have not received high-level guidance on negotiating new project aid, which places heavy burdens on the donor for planning, technology transfer, training, and services.

- *Budgetary support doubled over most previous years.* The USSR provided a record \$915 million in credits and grants for commodity imports and local currency to support food programs and finance local construction, as shown in figure 1. For the first time the USSR provided substantial local currency to finance projects—India received about half of the new balance-of-payments support in rupees. We believe Moscow is relying on easily delivered commodity aid (mostly oil) to forestall Third World criticism about low aid levels, to give the appearance of movement on Third World aid issues, and to buy time for orderly consideration of the future of the overall aid program.
- *Aid to Marxist states fell to its lowest level in five years.* Moscow's increased budget support in 1986 did not go to its usual Marxist recipients. In fact,

new aid to this group of countries dropped to \$460 million, or 15 percent of total pledges (see table 3). Despite this overall reduction, pledges to Nicaragua rose to a record \$310 million for oil and other products in 1987. Managua is coming close to Afghanistan as a major claimant of Soviet commodity support (see table 4).

- *Program terms were easier.* Moscow's determination to expand its Indian economic relationship beyond present levels of cooperation has dramatically reversed the decline in soft loans since the USSR introduced trade credits in the mid-1970s (see table 5). Moscow's record \$2.1 billion credit to finance industrial projects in India was provided on exceptionally easy terms: repayment over 17 years after a five-year grace period at 2.5 percent interest. Usual Soviet terms call for repayment over 10 to 12 years at 4.5 to 8 percent interest. Because the Indian agreements comprised more than 55 percent of the total program in 1985-86, they lent a luster of generosity to the Soviet program that Moscow already has used in the United Nations to demonstrate that it is moving to meet LDC demands for

~~Secret~~

Warsaw Pact Economic Credits and Grants
Extended to LDCs, 1986

Million US \$

	USSR	Eastern Europe					
		Total	Bulgaria	Czecho- slovakia	East Germany	Hungary	Romania
Total *	2,962	779	34	403	179	46	117
North Africa	..	220	20	200	..	..	..
Algeria	..	200	..	200	..	..	..
Libya	NA	..	..	..	..	..	..
Morocco	..	20	20	..	..	..	..
Sub-Saharan Africa	108	334	..	50	168	..	117
Angola	7	100	..	..	100	..	..
Burkina	NEGL	..	..	..	..	..	..
Ethiopia	..	50	..	50	..	..	..
Gabon	NA	..	..	..	..	..	..
Guinea-Bissau	2	..	..	..	..	..	..
Madagascar	69	..	..	..	..	..	..
Mali	2	..	..	..	..	..	..
Mozambique	26	..	..	..	..	..	..
Nigeria	NA	67	..	..	67	..	..
Sao Tome and Principe	1	..	..	..	..	..	..
Senegal	NEGL	..	..	..	..	..	..
Somalia	..	NEGL	..	..	NEGL	..	..
Sudan	..	117	..	..	..	..	117
Zimbabwe	NA	..	..	..	..	..	..
Latin America	613	25	8	..	6	11	..
Bolivia	1	NEGL	..	..	..	NEGL	..
Brazil	300	..	..	..	..	..	..
Jamaica	..	11	..	..	..	11	..
Nicaragua	312	14	8	..	6	..	..
Middle East	15	130	..	115	..	15	..
Egypt	..	100	..	100	..	..	..
South Yemen	15	..	..	..	..	..	..
Syria	..	15	..	..	..	15	..
Other	..	15	..	15	..	..	..
South Asia	2,226	64	5	38	..	20	..
Afghanistan	100	4	4	..	..	..	..
Bangladesh	NA	2	2	..	..	..	..
India	2,126	..	..	..	..	..	..
Pakistan	..	58	..	38	..	20	..
Other	..	6	..	..	6	..	..

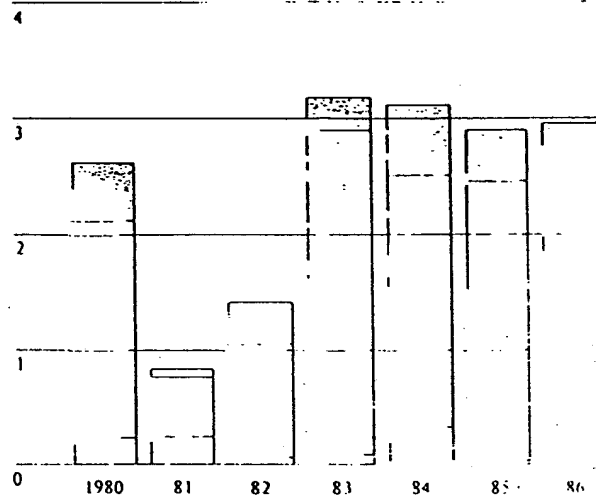
* Because of rounding, the components may not add to the totals shown.

~~Secret~~

USSR: Composition of Aid, 1980-86

Billion US \$

- Budgetary support
- Project assistance
- Other



easier aid terms. This impression is reinforced by agreements to fund local costs for India (\$425 million) and Madagascar (\$30 million), a concession the USSR rarely allows.

Export Promotion: Still a Major Goal

Gorbachev's aggressive new policy to promote exports of equipment and manufactures has added momentum to Moscow's aid program in higher income LDCs, which is designed to sell Soviet equipment on

¹ Moscow already is capitalizing on the effect of the liberal Indian credits on its program. At the recent UNCTAD meeting in Geneva, the USSR boasted that its average aid terms allowed more than 15 years to repay after four years grace, reflecting the impact of the credits to New Delhi, and the low pledges to other countries that generally receive harder terms.

Million US \$

USSR: Economic Aid Extended to Non-Communist LDCs, by Type

	Total	Trade Credits	Concessional Credits/Grants
Total *	37,685	9,480	28,200
1954-76	13,390	1,710	11,675
1977	435	..	435
1978	3,000	225	2,775
1979	3,800	1,200	2,600
1980	2,620	630	1,985
1981	845	580	260
1982	1,420	810	615
1983	3,185	1,745	1,440
1984	3,120	1,700	1,425
1985	2,905	600	2,305
1986	2,960	280	2,680

* Because of rounding, components may not add to the totals shown.

the best terms possible. In 1986 the USSR added two oil producers—Libya and Gabon—to its roster of credit recipients and provided further credits of undisclosed value to Nigeria. The credits to Libya will go for a nuclear power plant, two thermal power plants, and railroad construction.

This deal may eventually reach several billion dollars, substantially increasing Tripoli's dependence on the USSR for economic development. Moscow had tried to keep Libyan transactions on a cash basis, but was forced by Tripoli's declining oil revenues to provide funding to obtain the contract. Gabon received its first Soviet credits for minerals and metals development. The USSR reportedly offered competitive 15-year repayment terms in an effort to sell equipment and to secure long-term access to the manganese and other strategic metals to be produced by the Soviet-aided projects.

Million US \$

USSR: Economic Aid Extended to Non-Communist LDCs

	Total	Marxist Client States	Other LDCs
Total*	37,685	8,530	29,150
1954-80	23,245	3,885	19,360
1981	845	215	630
1982	1,420	1,345	75
1983	3,185	590	2,595
1984	3,120	880	2,240
1985	2,905	1,155	1,750
1986	2,960	460	2,500

* Data are rounded to the nearest 5. Because of rounding, components may not add to the totals shown.

USSR: Major Recipients of Budget Support, 1980-86

Country	Million US \$	Comments
Afghanistan	1,150	Food, consumer goods, agricultural supplies, other commodities.
Nicaragua	860	Oil, food, medicines, industrial raw materials.
Ethiopia	480	Oil, food, construction materials.
India	425	Rupees to finance local project costs.
Madagascar	155	Oil, food, commodities to finance local costs.
Mozambique	75	Food, consumer goods, commodities to finance local costs.

The overall Soviet program in 1985-86, dominated by the liberal Indian credits, gives the appearance that Moscow has returned to the easier terms offered in the 1950s and 1960s. We doubt, however, that Moscow has substantially changed its profit-oriented approach. We suspect the new credits to Libya and Nigeria will substantially reduce the overall concessionality of the 1986 program when their value becomes known.

Moscow has stressed the advantages of its program—particularly the buyback feature in which the USSR takes products in repayment—and has promised to increase aid once Gorbachev's domestic reforms expand Soviet productive capacity. Nonetheless, we have found no evidence that LDC aid has received high-level attention since Gorbachev took power; most 1986 aid initiatives were in train before his arrival. The large package for India reflects preferential treatment traditionally shown New Delhi—Moscow's first major project aid recipient—rather than a policy change and is intended to expand trade and maintain Moscow's position as a major player in Indian development.

The new aid agreements do not reflect any major rethinking on the question of hard currency outlays for aid programs. In the Indian agreement, for

example, all transactions are in rupees. Similarly, Soviet commodity support to Marxist states since the early 1980s has not involved foreign exchange expenditures, a feature that did not change in 1986. The major commodity pledged last year was Soviet-produced crude oil, which does not tax Soviet resources because small amounts are involved, and the depressed world oil market has reduced Soviet oil sales and left a surplus available for clients. On the other hand, food aid, which Moscow generally must purchase abroad, remained at its usual low level in 1986 (see table 6), and grants of all types fell to \$165 million—their lowest level since 1981.

A Steady Payback

In spite of modest outlays, economic aid to non-Communist LDCs has effectively served Soviet political and economic goals. It is not surprising, therefore, that over the past three years Moscow has pushed economic programs into new areas strategic to Western security interests. For example, the USSR has used its fisheries program to gain a presence in the Western Pacific through contracts with Kiribati and Vanuatu, although the agreement with Kiribati was allowed to lapse because of payment disputes. The

USSR: Relief Assistance to Non-Communist LDCs

Million US \$ *Cost Effectiveness—A Keynote*

	Relief Assistance		Of Which: Food Aid	
	Total	Afghanistan	Total	Afghanistan
Total *	1,095	820	740	515
1954-75	125	5	125	5
1976	4	..	4	..
1977	2	..	2	..
1978	7	..	7	..
1979	30	25	30	25
1980	240	230	160	155
1981	30	25	30	25
1982	55	25	35	25
1983	250	240	125	120
1984	130	110	75	50
1985	110	60	85	60
1986	110	100	60	50

* Because of rounding, components may not add to the totals shown.

agreement with Vanuatu allows Moscow its first access to shore facilities in the area: at present several other Pacific states are studying Soviet economic offers. In the Philippines, the USSR has offered several hundred million dollars of project assistance to the Aquino government, hoping to achieve a long-sought economic presence in the country. Manila, however, remains wary of Moscow's offers

Our analysis indicates that the USSR continues to meet other important objectives at low cost through its aid program by:

- Placing economic advisers in more than 65 less developed nations, some in positions of influence, particularly in Marxist states.
- Using development loans to open new equipment markets and to support \$1 billion of annual equipment sales to LDCs.
- Guaranteeing access to \$2 billion annually of strategic raw materials from more than 20 countries.
- Earning about \$650 million in hard currency a year from initial sales of complete plants and equipment to Third World customers and from technical services and follow-on spares to all partners.

The Kremlin's economic aid program for non-Communist LDCs has been relatively small and inexpensive over the years; in most years, expenditures are more than met by raw materials obtained from Soviet-built projects and hard currency payments for technical services

Such aid has always accounted for the smallest fraction of flows to LDCs under Soviet penetration programs because:

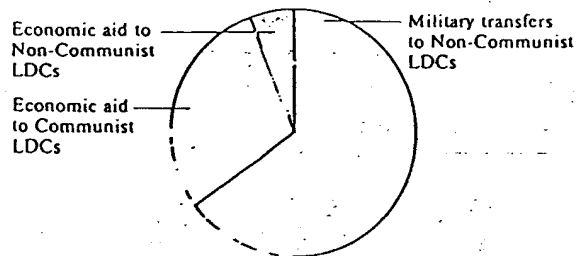
- *The USSR's massive support for Communist LDCs, * in which Soviet prestige is closely tied to economic performance, has absorbed most economic aid resources.*
- *Soviet policy has favored military equipment sales as the most direct route to influence in non-Communist LDCs: the USSR has provided \$10 worth of military equipment for every dollar spent on economic aid in the past decade*

Table 7 and figure 2 show how economic aid flows to non-Communist LDCs compare with other transfers to developing nations

* Includes Cuba, Mongolia, North Korea, Vietnam, Laos, and Cambodia.

USSR: Economic and Military Flows to the Third World, 1980-86

Total= 162 Billion US \$



Million US \$

USSR: Economic and Military Deliveries to Developing Countries

	Total	Military Transfers to LDCs	Economic Aid	
			Communist LDCs, Of Which: (Subsidies) *	Non-Communist LDCs
Total	162,420	105,860	47,420 (25,865)	9,140
1980	20,410	13,900	5,555 (3,240)	955
1981	21,910	14,200	6,785 (3,510)	925
1982	24,140	15,950	6,840 (3,820)	1,350
1983	24,635	16,580	6,410 (3,225)	1,645
1984	24,175	16,000	6,665 (3,630)	1,510
1985	22,085	13,670	6,965 (3,650)	1,450
1986	25,065	15,560	8,200 (4,790)	1,305

* Moscow provides price subsidies (grants) to Communist LDCs by discounting prices for oil and other exports, and paying premium prices for LDC products it imports. These subsidies do not qualify as aid by OECD standards, and should be removed from the total when comparing Soviet and Western aid.

- Supporting at least one-third of its annual fish catch with fish from LDC coastal waters under the USSR's fisheries aid program.
- Providing direct, low risk support to new Marxist regimes, such as those in Ethiopia and Nicaragua, where Moscow and its allies have replaced Western countries as the major foreign influence.

Machinery and equipment transferred under economic programs account for about half of Moscow's civilian equipment exports, while goods from Soviet-built enterprises also account for half of Moscow's imports from all LDCs, according to Soviet data.

Eastern Europe: A Holding Pattern

New economic aid commitments from Eastern Europe remained well below the \$1 billion mark in 1986, in our view reflecting the continuing lack of new

opportunities to bid on profitable development projects and a reluctance to throw more resources into supporting Moscow's efforts to consolidate regimes in Marxist states. Except for a brief surge in 1984, East European pledges during the 1980s have usually hovered at approximately \$700 million a year (see table 8)

East European assistance is geared even more than Moscow's toward increasing export earnings and raw materials imports, rather than humanitarian or political objectives. About \$560 million of the new credits in 1986 promoted traditional East European business interests in Arab countries, where Warsaw Pact nations often are able to guarantee oil supplies and other

~~Secret~~

Million US \$

**Eastern Europe: Economic Aid
Extended to Non-Communist LDCs**

	Total	Marxist Client States	Other LDCs
Total *	17,015	2,050	14,965
1955-80	11,510	1,010	10,500
1981	895	345	550
1982	625	30	595
1983	410	65	345
1984	2,075	255	1,815
1985	720	175	545
1986	780	170	610

* Data are rounded to the nearest 5. Because of rounding, components may not add to the totals shown.

resources as repayment. Further, more than half of the \$170 million of aid to Marxist states went to Angola, where East Europeans believe they can ultimately recover their investment in oil and other resources. About \$750 million of the new credits financed East European equipment exports, some at near-market rates. Less than \$20 million was provided as grant

Because East European aid to non-Communist states is intended primarily to benefit the economy of the donor, we have seen growing resistance to Soviet pressure to aid Marxist states such as Afghanistan, Ethiopia, and Mozambique. East European countries in the 1980s have provided less than 20 percent of their aid to Marxist states. They have been most responsive to Nicaragua, which has received \$680 million of East European commitments, led by pledges from East Germany and Bulgaria, the most tractable of Moscow's East European client

Czechoslovakia was the largest East European donor to LDCs in 1986, extending credits to stimulate equipment sales to Algeria, Egypt, and Pakistan, and to Ethiopia to renovate and expand Czechoslovak-built plants. East Germany was second with credits to Angola and Nigeria to finance a range of East German machinery and equipment export

Disbursements: A Continuing Downtrend

Soviet and East European aid disbursements continued to fall from their 1983 peak, despite heavy deliveries of food, consumer goods, and oil to Marxist states. Grants fell by \$65 million in 1986, reflecting a decline in commodity shipments to Afghanistan (see table 9). Soviet deliveries against project commitments also fell to their lowest point for the five years ending in 1986—\$815 million—as construction wound down on steel plants and other heavy installations in Algeria, Iran, Iraq, Nigeria, and Pakistan. Even though project aid levels have been lower recently, Moscow has improved its implementation record; about \$415 million of the project deliveries in 1986 moved under agreements concluded since 1980. This represents a substantial reduction of construction lags compared with earlier periods in the program

Even with the recent drop in disbursements, nearly half of the \$25 billion of aid delivered under Warsaw Pact programs since 1956 has been disbursed in the 1980s. This reflects the increased volume of commodity grants to Marxist states, which have been delivered immediately. Larger price tags on Soviet development projects also have pushed disbursement levels upward; costs for some equipment and material may have doubled since the 1970s

The Technical Presence: A Dramatic Reduction

The number of Warsaw Pact and Cuban economic technicians in non-Communist LDCs declined more than 20 percent in 1986 to its lowest level in nearly a decade, affected by declining oil revenues and conflict in Middle Eastern countries—the major customers for Communist technical services (see table 10). The largest cuts were in Algeria (4,300), Iran (1,000), Iraq (2,800), and Libya (16,000). In addition, more than 1,000 Cuban technicians left Nicaragua at the end of their tours of duty and were not replaced

Since the mid-1970s, the USSR and its East European allies have earned hard currency from the sale of technical services to North African and Middle

~~Secret~~

**USSR and Eastern Europe:
Economic Aid Deliveries
to Non-Communist LDCs**

Million US \$

	USSR		Eastern Europe	
	Total	Grants	Total	Grants
Total*	17,670	2,030	8,005	315
1954-80	9,485	740	4,160	75
1981	925	200	510	30
1982	1,350	160	690	40
1983	1,645	345	720	20
1984	1,510	205	725	45
1985	1,450	200	575	75
1986	1,305	180	625	30

* Because of rounding, components may not add to the totals shown.

**Warsaw Pact and Cuba:
Economic Technicians in
Non-Communist LDCs***

Number of persons

	Total	USSR	Eastern Europe	Cuba
1970	15,520	10,275	5,245	NA
1975	37,600	17,975	14,870	4,755
1980	101,515	33,565	47,750	20,200
1981	118,760	34,970	60,715	23,075
1982	138,955	41,805	75,445	21,705
1983	145,255	41,085	83,385	20,785
1984	145,005	39,570	86,390	19,045
1985	139,390	41,710	80,835	16,845
1986	108,105	27,030	69,425	11,650

* Numbers present for one month or more, rounded to nearest 5

Eastern oil producers. The Communist presence in the area grew steadily for more than a decade, with the USSR and Eastern Europe winning construction contracts valued in excess of \$25 billion in the 10 years ending in 1985. Many of these contracts required a full range of technical services from laborers to skilled technicians and managers. We estimate that by the 1980s, Warsaw Pact countries were earning more than \$750 million a year in hard currency for services provided to major LDC oil producers. In 1985 the number of Soviet and East European technicians in Middle Eastern OPEC countries peaked at more than 86,500, about 70 percent of Warsaw Pact technicians in the non-Communist Third World

**Student Training Programs: A Look
Behind the Numbers**

The Kremlin's belief that its education program pays big political dividends is evidenced by continued investment in scholarships for LDCs, despite the economic difficulties confronting some of the Communist donor countries. More than 16,000 students from non-Communist countries began first-year studies at Warsaw Pact universities and technical schools last year, bringing the total enrollment for 1986 to more than 100,000, and the number trained since the

mid-1950s to 246,000. For some 50 developing countries, the educational program is the only contact most of their citizens have with Communist countries

Soviet and East European training programs, designed to serve political goals, have several characteristics that effectively further Communist influence in LDCs:

- The USSR and its allies provide all-expense scholarships for almost all students accepted for training. As only about 15 percent of LDC students in Western universities receive officially financed scholarships, the Communist countries are able to attract large numbers of Third World students in spite of universal complaints about poor quality or narrow training, discrimination, and political indoctrination.
- Communist countries insist that graduates return home after training is completed to serve as symbols of Communist largess and possibly to promote Soviet political and economic interests. This policy also allows Moscow to disclaim any responsibility

for the Third World brain drain. In contrast, Western countries do not have a consistent return policy, and many graduates of Western schools work and eventually reside permanently in the West. Algeria, for example, reports that one-third of the students it sends to Western universities do not return home.

- Communist countries take students from all social classes, including those whose chances for training are limited by poor marks or poverty. Most who receive Communist scholarships are grateful for the opportunity, even if they do not return home converted to Marxism. Western countries, with rigorous admission criteria for foreign students, usually select only the best LDC students, most of whom come from wealthy families

While many graduates of Communist universities find it hard to advance beyond entry-level positions or are unable to find employment at all, their sheer numbers and the shortage of skills in the Third World are overcoming longstanding biases against Communist diplomas in many LDC.

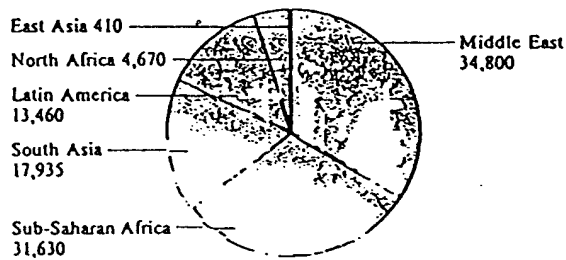
1 Moscow increases the impact of training programs by distributing scholarships among countries that do not have a large student population in the West. This means that a larger proportion of foreign-trained students entering the work force in these countries will have Communist degrees. For example:

- In more than 30 African countries, the USSR provides more scholarships than the United States.
- Moscow is the major public scholarship source in such strategic countries as Panama and Nicaragua.
- Half of Syria's students abroad are in the USSR and Eastern Europe; within 20 years the majority of educators in Syria will be Soviet trained.

Since the program began in the mid-1950s, we estimate that some 125,000 graduates from Warsaw Pact schools have returned to 110 countries. We believe that this exposure of civil servants, educators, and journalists to Communist ideas has augmented Soviet and East European influence in the developing world. At present, we have identified Communist-trained personnel in policy-level jobs in at least 25 LDCs. Figure 4 presents information on the impact of the Warsaw Pact scholarship program in LDCs

Academic Students from LDCs in Warsaw Pact Countries, by Region, 1986

Number of persons



Outlook: More Demands, Fewer Returns

We believe that Moscow's current, more expensive economic aid program is on a collision course with domestic demands for resources and expectations of the hefty return on aid investments that Moscow has experienced in the past. As expenses mount, the program's steady political and economic returns appear threatened, posing a new challenge for Soviet aid officials:

- Marxist states, which are supported on ideological grounds, cost the USSR more than \$500 million annually in oil, raw materials, and other commodities that could be sold elsewhere. These flows represent a net loss to the Soviet economy that will never be recovered (see figure 5). We believe that, because of the intense deterioration in Marxist LDC economies, Marxist aid demands could double by the end of the decade.
- Longtime recipients of Soviet aid in Africa, such as Guinea and Mali that adopted the Soviet economic model in the 1960s, are refurbishing their economic

USSR and Eastern Europe: Assessment of Training Programs in Non-Communist Developing Countries

- Yes
 Fair, adequate
 Poor, inadequate
 Good, satisfactory

	Number of Returnees (persons)	USSR Only		LDC Judgment About Quality	Employment of Returnees				
		Diploma Recognition Agreement	Former Students Society		Policy Level	Civil Service	Media	Education	M E
North Africa									
Algeria	5,960	●		○	●	●	●	●	●
Libya	265			●					
Mauritania	590			●		●	●	●	
Morocco	1,855	●	○	○		●	●	●	
Tunisia	2,670					●	●	●	
Sub-Saharan Africa									
Angola	1,660	●				●	●	●	●
Benin	510	●				●	●	●	
Botswana	220			●		●	●		
Burkina Faso	245			●		●	●		
Burundi	690					●	●		
Cameroon	1,150		○			●	●	●	●
Cape Verde	340			●		●	●	●	
Central African Republic	955					●	●	●	
Chad	500			●		●			
Comoros	40					●			
Congo	2,075	●	○	○		●	●	●	●
Djibouti	30			●		●	●		
Equatorial Guinea	560			●		●	●		
Ethiopia	5,425		○	●		●	●	●	●
Gabon	780					●	●	●	●
Gambia, The	205	●							
Ghana	3,435			●		●	●		
Guinea	2,615	●		●		●	●	●	●
Guinea-Bissau	520					●	●	●	●
Ivory Coast	1,210					●	●		
Kenya	1,700					●	●		●
Lesotho	225					●			
Liberia	230								
Madagascar	1,390		○	●		●			●
Malawi	40					●			
Mali	1,580	●				●	●	●	●
Mauritius	465			●					
Mozambique	1,630	●				●	●	●	●
Niger	660			○		●	●	●	●

1986

Comments
not oyed
Algerians find courses dull and ideological.
USSR is largest source of foreign scholarships.
Social structure impedes growth of Soviet influence.
Equivalency problems discourage acceptance of scholarships.
President is Soviet-trained.
Major opposition leaders are Soviet-trained.
Difficulty reintegrating into French-based system.
Returns concentrated in technical ministries.
Some 40% of students abroad are in Warsaw Pact.
Comoros accepts scholarship because students return.
Soviet-trained personnel employed in all sectors.
Returns under close police surveillance.
Most senior positions held by Western trainees.
Returns have problems finding jobs.
Influence of returnees is slight.
Influence of returnees is decreasing.
Suspicious of Soviet-trained personnel.
Social system has aversion to Communism.
Returns have difficulty finding jobs.
Scholarships accepted for financial reasons.

- ☐ Yes
- Poor, inadequate
- Fair, adequate
- Good, satisfactory

	Number of Returnees (persons)	USSR Only		LDC Judgment About Quality	En Po Le
		Diploma Recognition Agreement	Former Students Society		
Sub-Saharan Africa (continued)					
Nigeria	4,570			○	
Reunion	80				
Rwanda	360			○	
Sao Tome and Principe	30				
Senegal	860				
Seychelles	5			○	
Sierra Leone	1,150				
Somalia	2,315				
Sudan	3,420			○	
Tanzania	2,680			●	
Togo	640			○	
Uganda	1,240				
Zaire	1,450				
Zambia	1,195				
Zimbabwe	455				
East Asia					
Burma	515			●	
Fiji	5				
Indonesia	1,855				
Malaysia	5				
Philippines	5				
Thailand	115			●	
Latin America and the Caribbean					
Argentina	460			●	
Belize	15				
Bolivia	695				
Brazil	745				
Chile	685				
Colombia	640			○	
Costa Rica	725			●	
Dominican Republic	590				
Ecuador	2,550				
Grenada	55				
Guatemala	120				
Guyana	275			○	

Employment of Returnees

	Civil Service	Media	Education

Comments

Returnees employed in all sectors of economy.

Soviet-trained managers in most technical ministries.

Communist education detrimental to advancement.
 Strong bias against Communist education.
 USSR major foreign scholarship source. Not influential.
 Scholarships accepted because no facilities at home.
 CP scholarship holders do not work for Party.

Technical developments require Western academic foundation.

Returnees have had no discernible effect.

Communist education a liability.

Returnees closely scrutinized.
 First returnee avidly anti-Communist.

Soviet scholarships not popular.

Returnees exerting growing influence in education.
 Few scholarships taken each year.

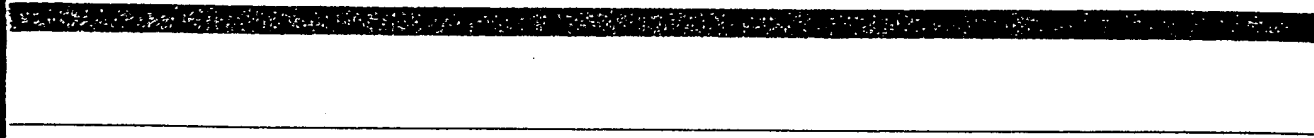
Engineers, doctors, teachers return to small towns.

Returnees must conceal Communist training to get jobs.
 Growing Marxist influence in education.

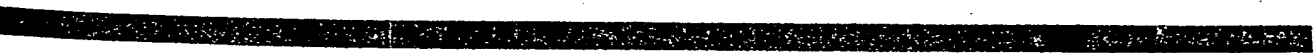
No legal program.
 Lack of alternatives make Soviet scholarships attractive.

☒ Yes ● Fair, adequate
 ● Poor, inadequate ○ Good, satisfactory

	Number of Returnees (persons)	USSR Dipl. Reception Agreement
Latin America and the Caribbean (continued)		
Haiti	80	
Honduras	435	
Mexico	850	
Nicaragua	3,635	
Panama	1,755	
Peru	980	
Suriname	10	
Uruguay	40	
Venezuela	265	
Middle East		
Bahrain	395	
Cyprus	3,485	
Egypt	3,300	
Greece	8,400	
Iran	150	
Iraq	6,950	
Israel	380	
Jordan	3,260	
Kuwait	135	
Lebanon	1,210	
North Yemen (YAR)	3,435	
Oman	15	
South Yemen (PDRY)	2,085	
Syria	8,135	
Turkey	90	
South Asia		
Afghanistan	10,500	
Bangladesh	1,675	
India	2,785	
Maldives	40	
Nepal	1,495	
Pakistan	610	
Sri Lanka	1,040	



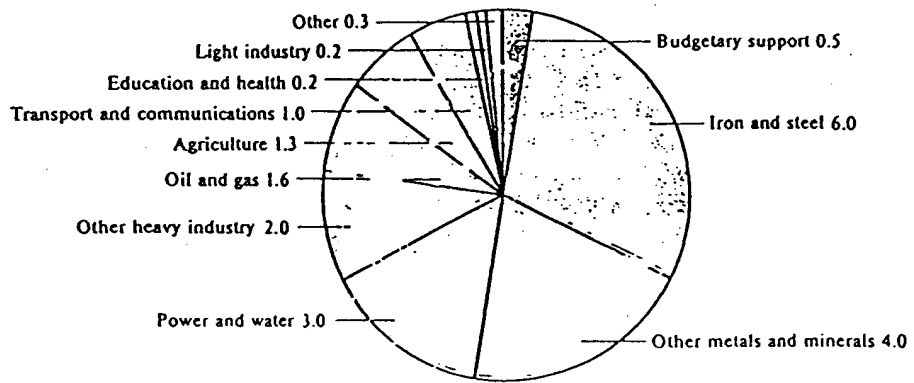
Only	LDC Judgment About Quality	Employment of Returnees					Comments
		Policy Level	Civil Service	Media	Education	Many not Employed	
							Clandestine students who do not return home.
							150 University faculty members Communist-trained.
	<input type="radio"/>						Some of leadership Soviet-trained.
	<input type="radio"/>						Panamanians perceive USSR program as larger than US.
							Large number of teachers Soviet-trained.
							USSR most active foreign country offering scholarships.
	<input type="radio"/>						Go because not admitted to Greek university.
	<input type="radio"/>						Returnees have considerable influence.
	<input type="radio"/>						Growing influence in civil service, media.
							Many students from Armenian community.
	<input type="radio"/>						Half of students abroad in Warsaw Pact countries.
	<input type="radio"/>						Moscow revamping Afghan educational system.
	<input checked="" type="radio"/>						Returnees must undergo remedial training.
	<input type="radio"/>						Good job opportunities at Soviet-built projects.
	<input type="radio"/>						Students satisfied. Employed at Soviet-built plants.



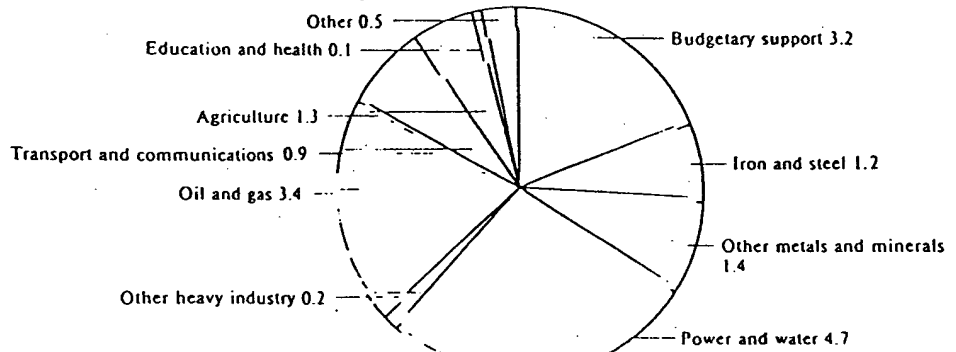
USSR: Aid Commitments to Non-Communist LDCs, by Type

Billion US \$

1954-79



1980-86



ties to the West, and Moscow can no longer count on their support for its international policies. Ghana and Guinea, for example, voted against the USSR on a UN resolution condemning the presence of foreign troops in Afghanistan, while Congo and Mali abstained from the vote.

- Credits to high- and middle-income countries have declined from a high of \$2 billion in 1983 and 1984. These credits are repayable in hard currency or valuable raw materials, and until recently offset Soviet outlays to poor LDCs. None of the agreements included in our estimates for 1986 call for these repayments, reducing Moscow's future earnings from the program.

If Moscow wants to use the economic program as it has in the past to attain political and economic objectives, its options for restructuring the aid program are few:

- We believe that Moscow may already have reached its upper limit on budgetary support, which largely will affect growth in the aid program in Marxist states. This type of support has grown to nearly 20 percent of total aid in the 1980s, compared with less than 5 percent in the 1954-79 period. Oil prices already are on the rise again, boosting the cost of Soviet crude deliveries to Marxist states and increasing pressures to conserve resources for economic revitalization at home. While Moscow appears politically committed to supporting Marxist states at current levels, we do not believe Kremlin planners will countenance an increased aid drain without extensive high-level debate. Before they commit further aid, they certainly will encourage clients to use resources on hand more efficiently. Moscow already has put Nicaragua on notice that it will take a more active role in Managua's economic planning because it has poorly managed Soviet-provided oil and other resources.
- Moscow will want to expand its aid program for traditional recipients in the Middle East and North Africa, largely for economic reasons. These countries generally receive export-type financing that promotes Soviet industrial exports, and eventual return flows from them sustain economic activity in

Table 11
USSR: Major Economic Offers
Outstanding to LDCs, 1986

Million US \$

Country	Value	Purpose
Algeria	700	Oil pipeline, expansion of two power plants, rail and trolley line, modernization of Annaba steel complex
Libya	5,000	Nuclear power plant, fertilizer plant, gas pipeline
Morocco	2,000	M'jara power and irrigation project and thermal power plant, Jorf Lasfar
Mozambique	250	Aluminum complex
Togo	540	Phosphoric acid plant
Philippines	350	Two power plants
Argentina	1,700	Gas pipeline
Bolivia	1,500	Hydropower project, Beni River
Nicaragua	350	Power and irrigation project

other LDCs. In Iran, Iraq, and Libya, the USSR and its allies will use the influence stemming from the military-supply relationship to bid successfully on major projects. Moscow is awaiting decisions on a number of highly competitive project proposals to LDCs that will be more than enough to sustain credit levels through the end of the decade if awarded to Soviet contractors (see table 11).

- In resource-poor non-Marxist states, particularly those like Ghana, Guinea, Madagascar, and Mali that have hosted unsuccessful Soviet economic programs in the past, the USSR will be reluctant to take on large commitments where the political and economic payback is dubious. We expect Moscow to provide only enough aid to protect its economic interests and presence, such as fishing projects in Guinea and gold mining in Mali.

As a result, we expect Moscow to continue on the path of recent years, with heightened cost-consciousness about the program in Marxist states

~~Secret~~

Moscow also will push energetically to use recent changes in its economic structure to increase ties to LDCs. For example, revisions in Soviet laws to permit the USSR to participate in foreign joint ventures will give Moscow new economic options in the Third World at virtually no cost, because Moscow will receive returns from its equity shares. For example, Moscow and Kuwait have tentatively agreed to several hundred million dollars worth of Kuwaiti financing for Soviet-built projects in third countries. Moscow hopes that this first major economic agreement with a conservative Gulf state will enable it to expand its presence in the area, as well as hard currency revenues, by constructing development projects funded by Kuwait and gain continuing access to Kuwaiti financing for Soviet development projects at home.

Although the Communist countries do not want to abandon their effective student training program, this effort may undergo dramatic revision in the next few years. The growing AIDS epidemic in Africa, with its potential for rapid spread to other LDC areas, may force a reduction in Communist scholarship programs. The USSR and Eastern Europe already have begun AIDS testing of students from high-risk areas in the Bloc, and we believe that Moscow may restrict the flow of students from non-Communist countries as the AIDS epidemic intensifies.

~~Secret~~

Appendix


Regional Overview

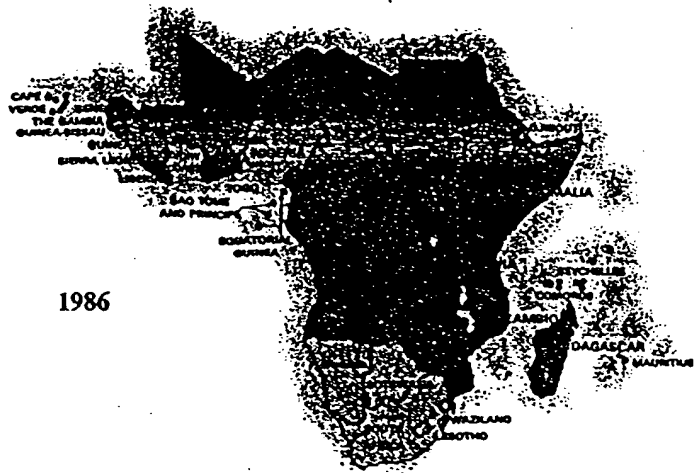
Aid agreements have been a primary tool used by Warsaw Pact countries to establish and maintain economic relationships with the non-Communist developing world, but Communist countries have at their disposal a number of other techniques to supplement aid pacts and maximize their economic presence. Figures 6 through 9 show the distribution of these other agreements among LDCs, including:

- *Joint economic commission agreements.* In the mid-1970s, the USSR and Eastern Europe began forming joint economic commissions with key LDC partners to administer Soviet aid programs and plan economic and trade relations, providing a firmer base for long-term planning by both Communist countries and LDCs. For Communist countries these commissions allow the orderly development of equipment export plans and resource supplies. In the past 10 years, 50 countries have formed joint commissions with the USSR and/or one or more East European countries.
- *Joint ventures.* Some 40 countries have concluded joint ventures with the USSR and Eastern Europe. These agreements call for joint ownership of the business or production unit formed, generally 51 percent for the LDC and 49 percent by the Communist partner. Moscow usually has formed joint ventures only for fishing; we expect new Soviet investment laws to permit Moscow to extend its equity participation into other areas. East European countries, with more flexible investment laws, also have formed ventures in other areas such as agricultural, minerals, and metals production and sales agencies.
- *Commercial development contracts.* For the USSR and Eastern Europe, commercial development contracts are the ideal vehicle to penetrate LDCs from both economic and political standpoints. Under these contracts, which generally involve large projects in wealthy LDCs—and a correspondingly large technical presence—contractors are paid immediately for work performed. There are no deferred payment terms for equipment and services. More than half of the Soviet and East European technicians abroad come under the terms of commercial development contracts won in competition with Western bidders. Libya, for example, has paid Warsaw Pact countries billions of dollars for development projects over the past 10 years. Generally, however, Communist countries must offer credits to win contracts in LDCs; only 20 LDCs have signed commercial development contracts with Warsaw Pact countries



Sub-Saharan Africa: Moscow's Growing Economic Presence

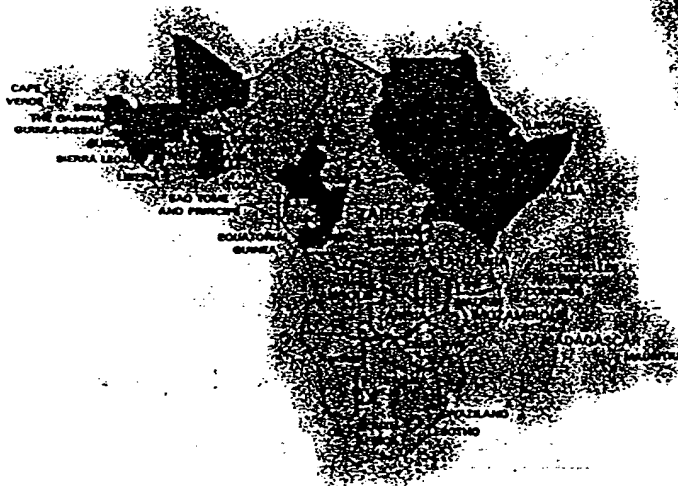
 Soviet economic aid agreement



1975

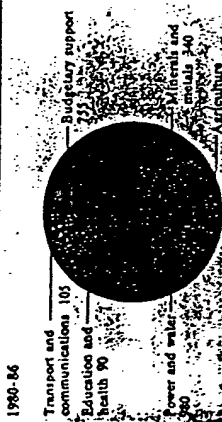
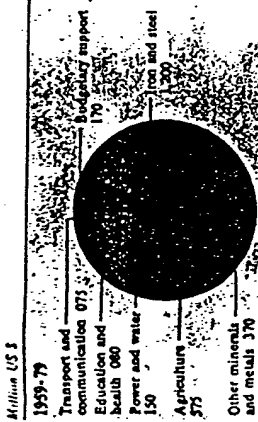


1965



Country names are as of 1987.
Boundary representation is
not necessarily authoritative.

Sub-Saharan Africa: Sectoral Distribution of Soviet Aid



Warsaw Pact Economic Credits and Grants Extended, 1980-86



Sub-Saharan Africa: Overview of Warsaw Pact Economic Activity

Country	Economic Processes, 1986 (number of persons)		Economic Aid (million US \$), 1980-86		Trade* (million US \$)		Other Economic Commitments in Effect							
	USSR	Other Europe	USSR	Other Europe	USSR	Other Europe	USSR	Other Europe						
Angola	1,000	960	885	100	155	25	230	5	170	75	0	0	0	0
Benin	10	15	5	5	5	MEOL								
Burkina Faso	25	15	1	1										
Burundi	60	15			MEOL	1			MEOL	MEOL				
Cameroon	15	10	15	MEOL	5	1	2	10	35	MEOL	MEOL			
Cape Verde	75	5	10	MEOL	5	1	2							
Central African Republic	5	10												
Congo	300	45	85	30	40	25	5	10						
Equatorial Guinea	5	10	2											
Ethiopia	2,000	610	1,100	1,025	640	190	175	215	40	30	15	0	0	0
Gabon	10	5								MEOL	2			
Ghana	107	75	35	15	10	30	10	80	45	25	0	0	0	0
Guinea	600	25	175	15	20	25	50	100	5	5	0	0	0	0
Guinea-Bissau	50	50	85	15	20	2								
Ivory Coast	60	35												
Kenya	50	50												
Lesotho	50													
Liberia														
Madagascar	175	20	55	250	250	35	5			MEOL				
Mali	500	5	15	45	MEOL	MEOL	MEOL							
Mauritania	35													
Mozambique	900	1,175	900	370	1,145	140	115	80	2	20	10	0	0	0
Niger	1,115													
Nigeria	3,300	1,600	1,600	500	1,445	540	210	140	15	195	5	0	0	0
Rwanda	105	70	60	1										
Sao Tome and Principe	20	10												
Senegal	35	20	40	315										
Seychelles	10													
Sierra Leone	25													
Somalia	200	200	145	80	145	80	35	40						
Sudan	75	50	25	5	10	55								
Tanzania	25													
Togo	25													
Uganda	100													
Zaire	300	115	15	5	30	70								
Zambia	305	55			35	5								
Zimbabwe														

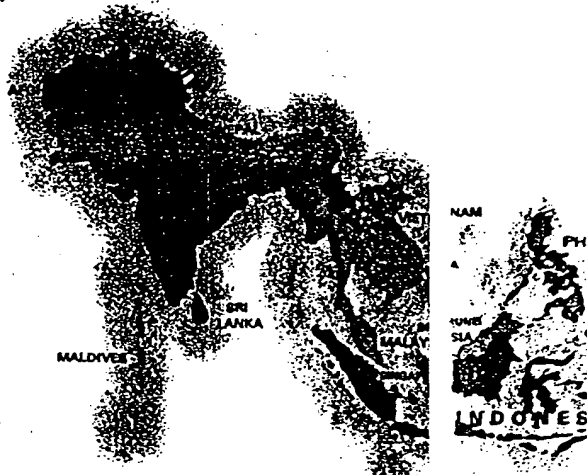
* Data for USSR is 1986; Eastern Europe is 1985.

South Asia: Moscow's Growing Economic Presence*

*Excludes Communist LDCs-Vietnam,
Laos and Cambodia became
Communist in 1975.

■ Soviet economic
aid agreement

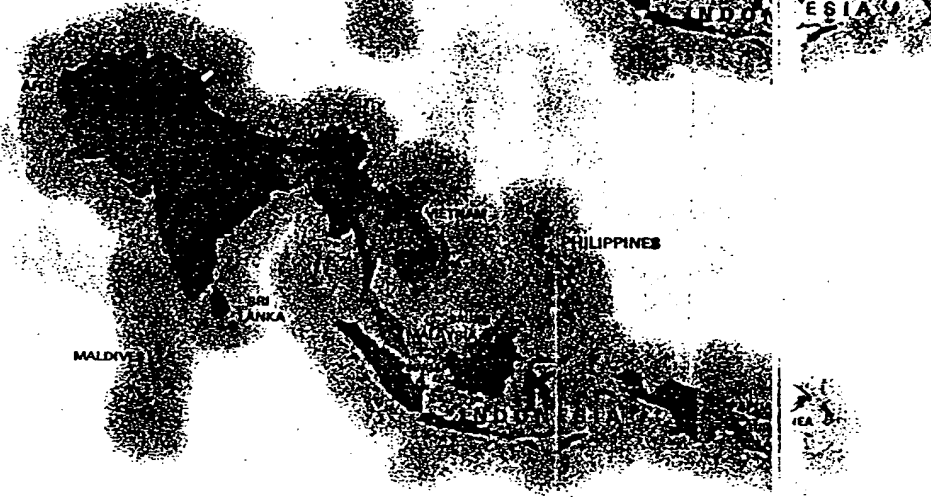
1986



1975

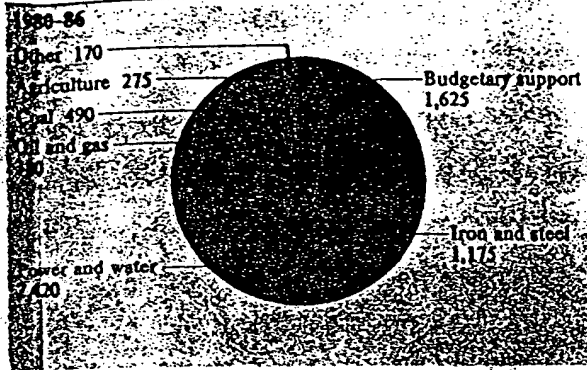
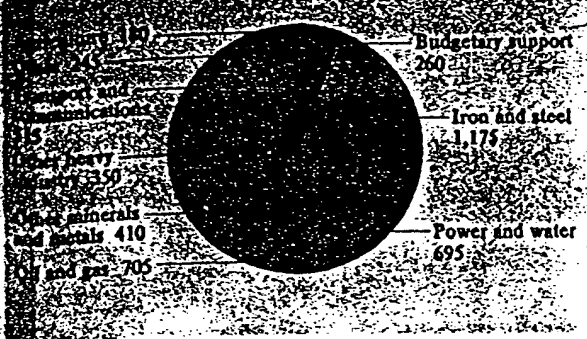


1965



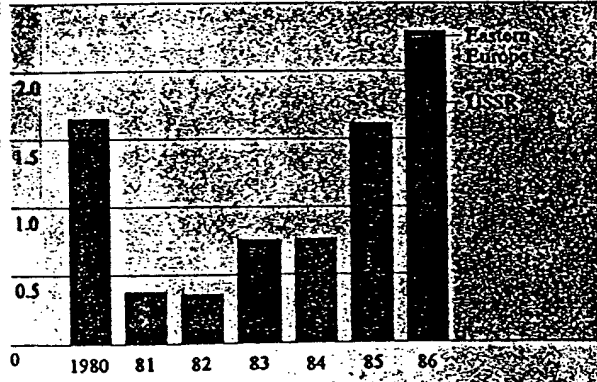
Sectoral Distribution of Soviet Aid

US \$



Warsaw Pact Economic Credits and Grants Extended, 1980-86

Billion US \$



Country names are as of 1987.
Boundary representation is not necessarily authoritative.

Asia: Overview of Warsaw Pact

- USSR
- Eastern Europe

Economic (number of USSR)

Country	USSR
Afghanistan	3,500
Bangladesh	75
Burma	
India	1,500
Indonesia	
Malaysia	
Nepal	10
Pakistan	850
Philippines	5
Singapore	5
Sri Lanka	100
Thailand	

* Data for USSR is 1986; Eastern Europe is 1985

Review of Warsaw Pact Economic Activity

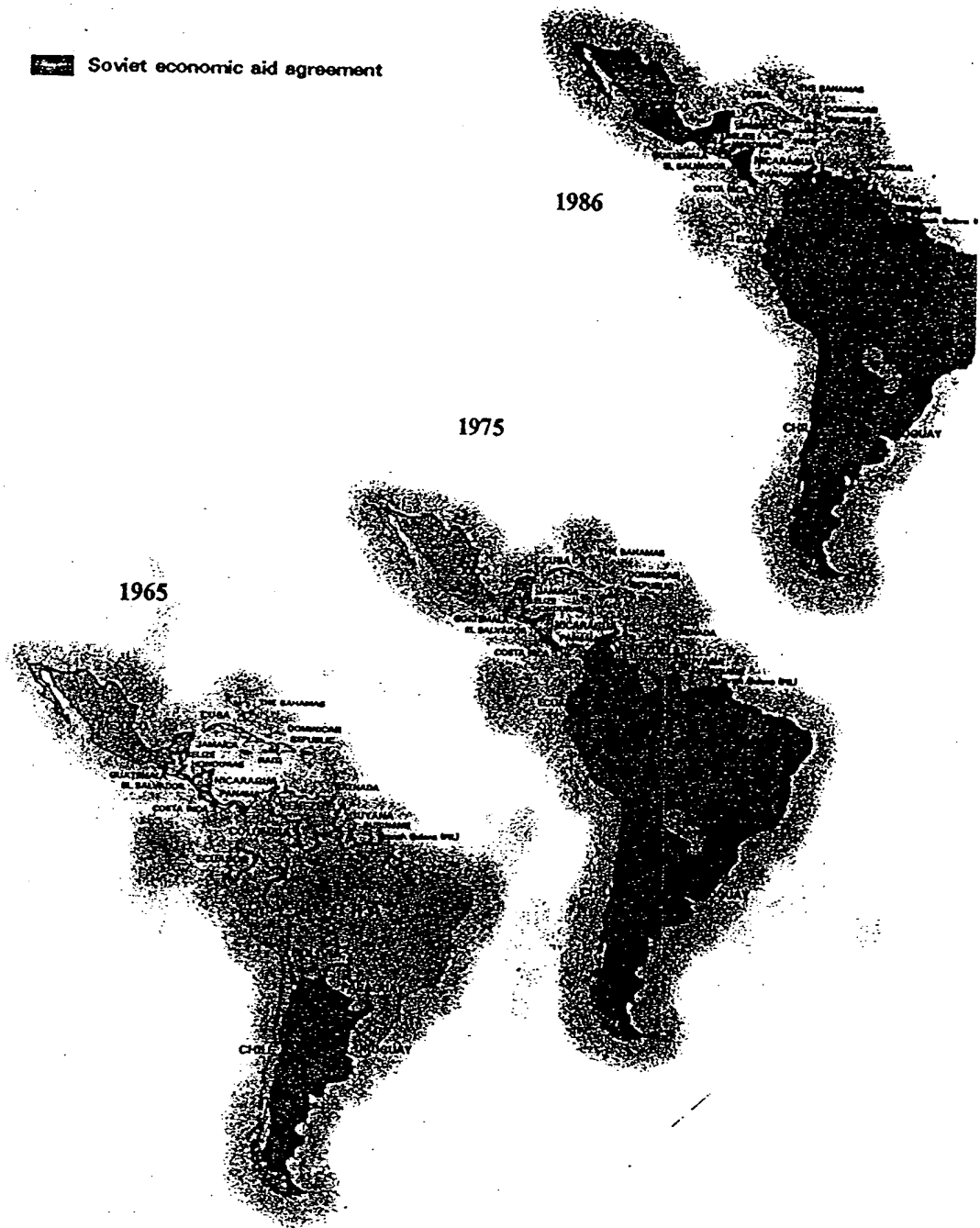
Region	Economic Presence (number of persons)		Economic Aid (million US \$), 1980-86				Trade (million US \$)				Other Economic Activities		
	USSR	Eastern Europe	USSR	Eastern Europe			USSR		Eastern Europe		Total Economic Commission	Inventions	Development
				Pledges	Disbursements	Pledges	Disbursements	Exports	Imports	Exports				Imports
...	3,500	160	1,755	1,785	140	115	770	345	35	55	●	●	●
...	75	...	225	135	480	55	70	25	35	85	●	●	●
...	20	...	...	...	40	175	2	30	3	11	●	●	●
...	1,500	100	4,265	710	...	30	1,360	1,750	370	340	●	●	●
...	...	...	...	...	...	10	60	20	75	...	●	●	●
...	10	...	5	5	...	...	10	135	20	65	●	●	●
...	850	50	290	420	580	40	55	70	180	125	●	●	●
...	5	...	...	...	10	20	10	15	15	10	●	●	●
...	5	10	...	...	...	...	40	50	60	25	●	●	●
...	100	15	5	5	...	5	20	15	5	15	●	●	●
...	...	...	...	...	...	...	15	115	55	20	●	●	●

USSR is 1980; Eastern Europe is 1985.

**Latin America and the Caribbean:
Moscow's Growing Economic Presence***

**Excludes Communist LDC-Cuba.*

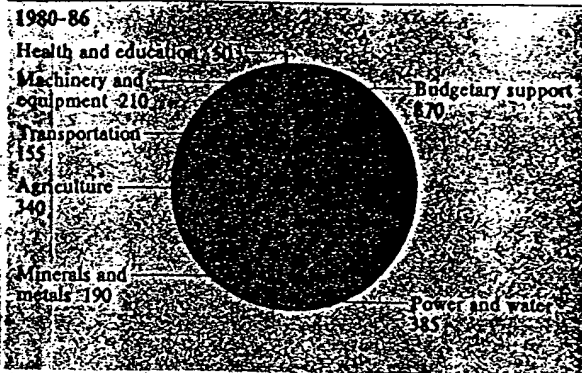
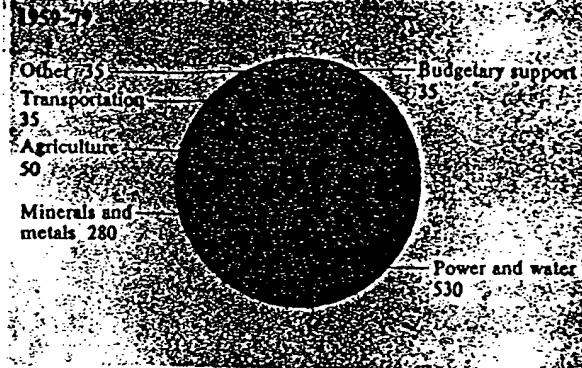
 Soviet economic aid agreement



Country names
Boundary is
not shown

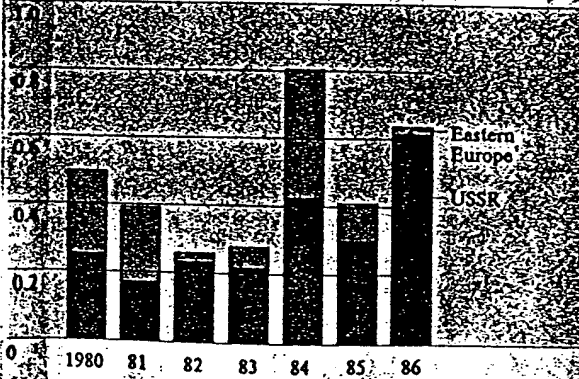
Latin America: Sectoral Distribution of Soviet Aid

Million US \$



Warsaw Pact Economic Credits and Grants Extended, 1980-86

Billion US \$



Country names are as of boundary representation not necessarily actual

Latin America and the Caribbean: Overview

- USSR
- Eastern Europe

Economic Presence, 1986
(number of persons)

	USSR	Eastern Europe	Cuba
Caribbean and Central America			
Costa Rica			
Dominican Republic			
El Salvador			
Grenada			
Guatemala			
Guyana	10		50
Honduras			
Jamaica			
Mexico	15	240	15
Nicaragua	250	330	2,500
Panama			30
South America			
Argentina	50	25	
Bolivia	10	5	
Brazil	25	75	
Chile			
Colombia	10	5	
Ecuador			
Paraguay			
Peru	35	25	
Uruguay			
Venezuela	20		

*Data for USSR in 1986; Eastern Europe in 1985

and the Caribbean: Overview

Warsaw Pact Economic Activity

Economic Presence, 1986 (number of persons)		
USSR	Eastern Europe	Cuba
...
10	5	15
10	10	155
10	5	10
15	140	15
250	330	2,500
15	30	30
50	25	...
10	5	...
35	25	...
20	5	...

Economic Aid (million US \$), 1980-86				Trade (million US \$)				Other Economic Agreements in Effect		
USSR		Eastern Europe		USSR		Eastern Europe		Joint Economic Commission	Joint Venture	Commercial Development
Pledges	Disbursements	Pledges	Disbursements	Exports	Imports	Exports	Imports			
...	...	1	...	...	...	3	30			
...	...	...	...	...	...	1	...			
10	5	15	10	...	...	...	...
10	10	155	2	...	...	1	15			
...	...	...	...	...	...	1	15	●	●	
10	5	10	10	...	...	1	NEGL			
1,270	800	570	480	390	10	30	55	●	●	●
...	...	5	15	15	10	165	5	●	●	●
165	130	15	75	275	70	275	10	●	●	●
75	40	35	15	45	335	475	550	●	●	●
370	40	160	195	...	...	...	...	●	●	●
...	15	30	5	5	50	35	...	●	●	
35	...	10	...	...	10	30	...			
...	...	...	...	...	1	...	...	
250	5	50	55	15	105	20	40	●	●	●
5	30	1	...	5	30	5	25	●	●	●
...	...	...	...	...	...	35	2	●	●	●

1986 Eastern Europe is 1985

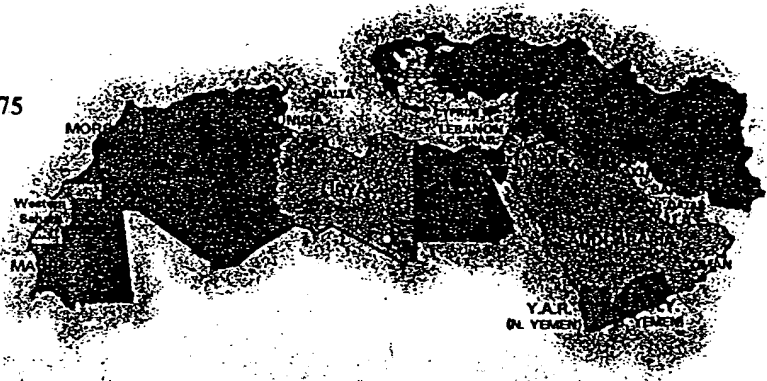
Middle East and North Africa: Moscow's Growing Economic Presence

■ Soviet economic aid agreement

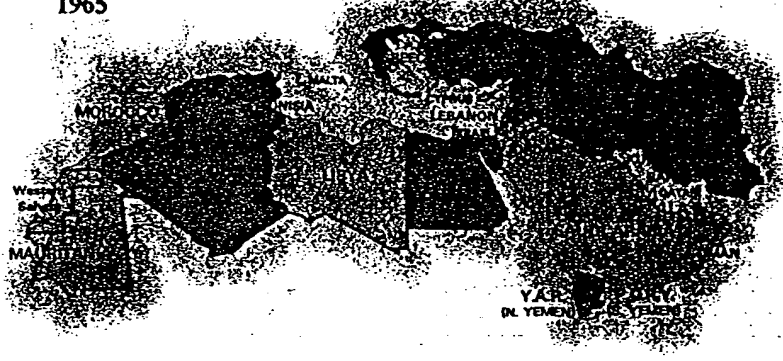
1986



1975



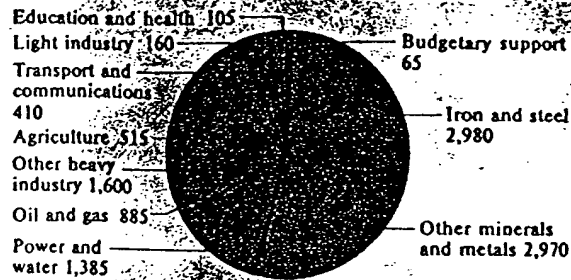
1965



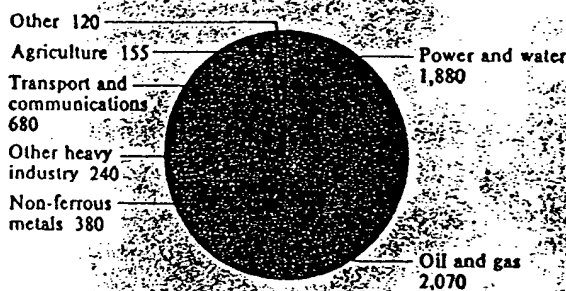
Middle East and North Africa: Sectoral Distribution of Soviet Aid

Million US \$

1959-79



1980-86



Warsaw Pact Economic Credits and Grants Extended, 1980-86

Billion US \$



Middle East and North Africa: Overview

- USSR
- Eastern Europe

Economic Presence, 1985
(number of persons)

	USSR	Eastern Europe	C
Middle East			
Abu Dhabi (UAE)	130	250	
Bahrain			
Cyprus			
Egypt	250	3,500	
Iran	200	350	
Iraq	2,000	13,675	1
Jordan	50	575	
Kuwait	50	900	
Lebanon		50	
North Yemen (YAR)	400	165	
Saudi Arabia			
South Yemen (PDRY)	1,000	605	
Syria	1,100	3,105	1
Turkey	200	1,550	
North Africa			
Algeria	1,000	5,800	1
Libya	500	30,000	1
Mauritania	35	15	
Morocco	750	1,665	
Tunisia	175	440	
Western Sahara			

* Data for USSR is 1986. Eastern Europe is 1985.

as of 1987.
representations by
merly substructure.

North Africa: Overview of Warsaw Pact Economic Activity

Economic Presence, 1986 (Number of persons)	Economic Aid (million US \$), 1980-86				Trade* (million US \$)				Other Economic Agreements in Effect		
	USSR		Eastern Europe		USSR		Eastern Europe		Joint Economic Commissions	Joint Venture	Commercial Development
	Pledges	Disbursements	Pledges	Disbursements	Exports	Imports	Exports	Imports			
USSR: 30	..	..	..	..	..	..	15	NEGL	..	..	..
Eastern Europe: 250	..	..	..	..	..	..	10	10	..	..	..
Cuba: ..	..	15	5	5	15	15	285	10	●	..	..
..	250	55	905	390	375	380	795	1,070	●	●	..
..	200	365	..	80	180	25	635	1,255	●	●	●
..	2,000	345	..	100	415	490	1,110	460	●	●	●
..	50	10	..	..	..	..	65	50	●	..	..
..	50	..	..	..	..	..	50	20	●	●	..
..	50	..	..	..	10	1	185	15	●	●	..
..	400	80	..	10	15	..	10	NEGL	●	●	..
..	1,000	640	410	40	55	145	5	10	●	●	●
..	1,100	1,150	395	605	335	420	250	695	420	●	●
..	200	330	1,840	755	170	140	450	105	●	●	●
..	..	1,205	440	450	215	125	340	405	220	●	●
..	..	..	..	..	..	50	985	1,045	465	●	●
..	..	20	5	1	2	..	..	..	..	●	●
..	..	..	20	20	50	95	75	70	30	●	●
..	..	25	65	50	70	30	25	50	25	●	●
..

* Europe in 1985.