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AC/127-WP/409

ECONOMIC COMMITTEE

USSR: FOREIGN TRADE BY COMMODITIES, 1972 AND 1973(1)

Note by the Canadian Delegation

The total rouble value of Soviet trade turnover increased by 20.3% in 1973, doubling the 10% rate of increase experienced in 1972. Most of the increase in 1973 was in the areas of machinery and equipment, industrial raw materials (fuels, minerals and metals), and food related products (both the raw materials for foodstuffs and the foodstuffs themselves).

2. The increased turnover of raw materials owes more to the increased price of Soviet exports of these materials than to an increase in the volume of exports. In contrast, the increased turnover in food products resulted in large part from increases in the physical volume of imports, especially of grain imports. Due to the heterogeneity of machinery and equipment it is not possible to tell to what extent increased turnover was due to volume changes and to what extent price changes. Soviet imports and exports by aggregate commodity groups are given in Table 1.

Machinery and Equipment

3. Soviet exports of machinery and equipment rose by 14.7% in 1973. The major customers were all CMEA members except the UAR which received 160.0 million roubles(2) of merchandise, 58.5 million roubles of which went to Soviet development aid programmes in that country (Table 2). The major CMEA customers were Bulgaria (528.3 million roubles) and East Germany (440.4 million roubles) which also experienced the largest percentage gain over 1972 (42.5%).

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- (1) The source of the data is "Foreign Trade of the USSR, 1973" Reliability of the figures therefore depends on the accuracy and completeness of the Soviet statistical reporting system.
- (2) All total values are given in roubles to facilitate comparisons with other Soviet statistics. In 1972, 1 rouble = \$1.21 (US) and in 1973 1 rouble = \$1.34 (US). Some prices are given in US dollars to facilitate comparisons with Western prices.

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The major increases of machinery and equipment exports to East Germany were cutting tools (41.9%) tractors (49.5%), tractor parts and supplies (70.1%), and especially aircraft and aircraft parts (from 7.2 million roubles to 46.7 million roubles).

4. A substantial part (27.5%) of total Soviet machinery and equipment exports were for projects which involved Soviet development aid and technical assistance. This type of export accounted for an even larger proportion of exports to the non-Communist less developed countries: it accounted for 74.3% of machinery and equipment exports to Algeria, 52.9% of those to Afghanistan, 84.5% of those to the Republic of Guinea, 54.4% of those to India, 46.9% of those to Iraq, 66.1% of those to Iran, and 93.1% of those to Turkey. The developed Western nations bought little Soviet machinery and equipment.

5. Soviet imports of machinery and equipment rose 15.8%, with CMEA members being the major suppliers, amongst which East Germany was by far the largest single supplier with 1,304 million roubles of equipment sent to the Soviet Union. The largest percentage gains, however, were obtained by Finland (up 98.4%) and the United States (up 253.9%), with smaller gains registered by Bulgaria (27.4%), West Germany (26.5%), and Italy (22.5%). A more complete breakdown is given in Table 3.

SOVIET TRADE, MACHINERY AND EQUIPMENT

	<u>Turnover</u>	<u>Exports Imports</u> (Millions of Roubles)		<u>Balance</u>
1972	7,614.9	3,005.6	4,609.4	- 1,603.7
1973	8,785.6	3,448.1	5,337.5	- 1,889.4
% Change	15.4	14.7	15.8	

Fuels, Minerals and other Raw Materials

6. The category of fuels, minerals and other raw materials earns the large surpluses needed to finance the deficits usually experienced in machinery and equipment, and foods and foodstuffs. Thus in 1973 it earned an approximately 4 milliard rouble surplus.

SOVIET TRADE, FUELS, MINERALS AND RAW MATERIALS

	<u>Turnover</u>	<u>Exports Imports</u> (Millions of Roubles)		<u>Balance</u>
1972	5,948.5	4,685.9	1,262.6	3,423.3
1973	7,406.2	5,701.8	1,704.4	3,997.4
% Change	24.5	21.7	35.0	

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7. The major area of activity in this category in 1973 was crude oil and petroleum products which together account for 42.1% of the category exports (Table 4). It is in petroleum products that the price changes of 1973 are most marked. In 1972 30.8 million tons were exported for 566.2 million roubles (18.38 roubles per ton) while in 1973 33.0 million tons were exported for 1,057.1 million roubles (32.03 roubles per ton). The price increase was not, however, equal with respect to all trading partners. CMEA members did not pay significantly more for petroleum products from the Soviet Union in 1973, while the developed Western nations as a rule saw their prices increase by a factor of 2.5 (the data (Table 5) is published in such a way as to provide only a rough indication of price changes).

8. The largest total value gains were experienced by gasoline (78.3%), diesel heavy fuels (154.1%) and kerosene (47.5%). The non-fuel petroleum products (lubricants, oil, etc.) did not experience such large increases.

SOVIET EXPORTS BY VALUE, CRUDE OIL AND PETROLEUM PRODUCTS

	Crude Oil (Millions of Roubles)	Petroleum Products (Millions of Roubles)
1972	1,097.4	566.2
1973	1,345.9	1,057.1
% Change	22.6	86.7

SOVIET EXPORTS BY VOLUME, CRUDE OIL AND PETROLEUM PRODUCTS

	Crude Oil (Millions of Tons)	Petroleum Products (Millions of Tons)
1972	76.2	30.8
1973	85.3	33.0
% Change	11.9	7.1

9. Soviet imports of petroleum products increased very little (in either value and volume) but imports of crude oil increased substantially. The value of imports increased faster than the volume so that the Soviet Union also suffered price increases in its crude oil imports.

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SOVIET IMPORTS, CRUDE OIL

	<u>Millions of Tons</u>	<u>Millions of Roubles</u>
1972	7.8	111.2
1973	13.2	220.3
% Change	69.2	98.1

Raw Materials for Foodstuffs

10. Soviet imports of raw materials for foodstuffs rose by 38.9% in 1973 (Table 6). The biggest element in this increase were imports of grains: the other products in the category include oilseed, fruits, unprocessed meats, etc. Overall grain imports increased by 56.3% to 1,146 million roubles, with the biggest gain being in wheat (up 76.7% to 749.3 million roubles), corn (up 28.3% to 230.9 million roubles) and rye (which increased thirteenfold to 63.6 million roubles)(1).

11. The major suppliers of wheat to the Soviet Union in 1973, were France (2.1%) Canada (24.2%) and the United States (63.7%). Most of the large increases in 1973 were the result of much larger Soviet purchases from the United States: in 1972 the USA supplied 2.41 million tons of wheat, compared to Canada's 3.99 million tons; in 1973 the USA supplied 9.84 million tons compared to 3.54 million tons from Canada. The ton price of American wheat was several roubles below that of Canadian wheat in both years.

12. ~~Hungary and the United States were the largest suppliers of corn, with the United States supplying by far the largest amount.~~

13. Soviet grain imports in 1973 were in large part contracted for in 1972 when an exceptionally poor harvest led to the depletion of grain reserves. The arrival of these grain imports coincided with the record crop of 1973, so that reserves were replenished. Therefore emergency grain imports on the scale of 1972-1973 are not likely in the immediate future.

14. Although the value of Soviet wheat exports increased by 34.1% in 1973, the actual tonnage exported increased by only 7.8%. This was accounted for by a 24.4% increase in the ton-price of Soviet wheat exports. Thus, while the Soviet Union was buying wheat at around \$66 per ton, it was selling it at a price 50% higher. The major recipients of Soviet grain exports were East Germany, Cuba, Poland, and Czechoslovakia; with smaller amounts going to Afghanistan, North Korea, Morocco and Finland (Table 7).

(1) Soviet grain trade statistics did not appear in 1972, but are now available (see Tables 6 and 7).

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SOVIET WHEAT TRADE, TON-PRICES

	<u>1972</u> (US dollars per ton)	<u>1973</u>
Wheat exports (Total)	74.69	102.93
Wheat imports (Total)	63.33	66.05
From:		
Canada	66.37	68.73
USA	59.22	64.99
France	61.24	63.34

15. Wheat was the largest component of Soviet grain exports (86.4%), with lesser amounts of barley (5.7%) oats (.4%) and corn (7.5%).

Raw Materials of Animal and Plant Origin

16. While the commodity group "raw materials of animal and plant origin" did not experience such substantial gains as some other groups (21.8% for exports and 16.6% for imports) its absolute size makes it important. A partial breakdown is given in Table 8. The two most important sub-groups are forest products (cut and uncut timber, pulp and paper, etc.) and textile raw materials. Major growth was experienced in exports of forest products and imports of textile raw materials.

17. In the forest products (Table 9), uncut timber exports rose by 61.7% (of which 28.9% was the result of volume increases) cut timber exports rose by 20.9% (of which 18.0% was the result of volume increases) and other wood product exports increased by smaller amounts (glued plywood, 18.9%; paper, 9.9%; cardboard, 11.6%, etc.). In textile raw materials the large increase was in the importation of fine wool (up 320.4% of which only 30.9% was the result of an increase in the physical volume of imports). The largest single supplier of wool to the Soviet Union is Australia, which increased its surplus with the Soviet Union in 1973 largely because of these price increases.

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TABLE 1: SOVIET TRADE, BY MAJOR COMMODITIES

Group		<u>1972</u> (Millions	<u>1973</u> or roubles)	<u>% Increase</u>
Machines and Equipment	Exports	3,005.6	3,448.1	14.7
	Imports	4,609.4	5,337.5	15.8
Fuels, Minerals Raw Materials	Exports	4,685.9	5,701.8	21.7
	Imports	1,262.6	1,704.4	35.0
Chemicals, Fertilizers, and Rubber	Exports	393.0	439.3	11.8
	Imports	635.8	661.5	4.0
Building Materials and Parts	Exports	44.9	69.6	55.2
	Imports	109.7	111.9	2.0
Raw Materials of Plant and Animal Origin (except Food)	Exports	1,367.9	1,666.1	21.8
	Imports	974.8	1,136.6	16.6
Live Animals	Exports	00.0	00.0	00.0
	Imports	2.5	3.0	19.0
Raw Materials for Foodstuffs	Exports	311.7	393.4	26.2
	Imports	1,124.4	1,561.1	38.9
Foodstuffs	Exports	363.9	421.5	15.9
	Imports	1,047.9	1,064.7	1.6
Industrial Consumer Goods and Goods N.E.S.	Exports	332.3	372.9	12.2
	Imports	2,451.2	2,438.4	- .1 (Decrease)

* Commodities grouped according to classification of Soviet "Unified Trade Terminology of External Trade" Methodology.

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TABLE 2: SOVIET MACHINERY AND EQUIPMENT
EXPORTS, MAJOR RECIPIENTS

<u>Country</u>	<u>1972</u>	<u>1973</u>	<u>% Change</u>
	(Millions of Roubles)		
Bulgaria	505.5	528.3	4.5
East Germany	309.1	440.4	42.5
Poland	272.2	347.0	27.5
Czechoslovakia	223.0	270.1	21.2
Hungary	228.9	224.8	-1.7
Cuba	164.4	177.8	8.2
Romania	105.6	177.4	17.8
UAR	129.1	160.9	24.7
Mongolia	116.0	132.9	14.5

TABLE 3: SOVIET MACHINERY AND EQUIPMENT
IMPORTS, MAJOR SOURCES

<u>Country</u>	<u>1972</u>	<u>1973</u>	<u>% Change</u>
East Germany	1,216.7	1,304.6	7.2
Czechoslovakia	680.6	709.8	4.3
Poland	513.3	605.8	18.0
Bulgaria	418.3	532.9	27.4
Hungary	434.4	501.6	15.5
West Germany	302.6	382.7	26.5
U.S.A.	47.6	168.6	253.9
Yugoslavia	198.8	159.8	-24.4
Romania	131.7	154.1	17.0
Italy	120.4	147.5	22.5
Finland	71.1	141.2	98.4
France	131.7	141.2	7.3

TABLE 4: SOVIET TRADE, OIL AND PETROLEUM PRODUCTS

	<u>1972</u>	<u>1973</u>	<u>% Change</u>
Exports, Crude Oil: Millions of Tons	76.2	85.3	11.9
Millions of Roubles	1,097.7	1,345.9	22.6
Roubles/Ton	14.41	15.77	9.4
Petroleum Products			
Millions of Tons	30.8	33.0	7.1
Millions of Roubles	566.2	1,057.1	86.7
Roubles/Ton	18.38	32.03	74.3
Imports, Crude Oil: Millions of Tons	7.8	13.2	69.2
Millions of Roubles	111.2	220.3	98.1
Roubles/Ton	14.26	16.69	17.0
Petroleum Products			
Millions of Tons	1.3	1.5	15.4
Millions of Roubles	46.1	51.9	12.6
Roubles/Ton	35.46	34.60	-2.4

Note: "Petroleum products" is a heterogeneous category (made up of gasoline, kerosene, etc). The ton-price is a weighted average and provides only a rough indication of price changes from one year to another.

TABLE 5: SOVIET EXPORTS, OIL AND PETROLEUM PRODUCTS, SELECTED COUNTRIES

<u>Receiving Country</u>	<u>1972</u> <u>(Millions or Roubles)</u>	<u>1973</u> <u>(Millions or Roubles)</u>	<u>1972</u> <u>(Millions of Tons)</u>	<u>1973</u> <u>(Millions of Tons)</u>	<u>1972</u> <u>(Roubles per Ton)</u>	<u>1973</u> <u>(Roubles per Ton)</u>	<u>1972</u> <u>(Dollars per Ton)</u>	<u>1973</u> <u>(Dollars per Ton)</u>
Czechoslovakia	210.5	235.1	12.9	14.3	16.35	16.39	19.78	21.96
East Germany	161.8	184.8	11.5	13.0	14.09	14.23	17.05	19.07
Poland	182.2	214.0	11.1	12.3	16.46	17.34	19.92	23.24
Bulgaria	118.6	135.7	7.9	9.3	14.92	14.56	18.05	19.51
Cuba	92.2	114.2	7.0	7.4	13.12	15.34	15.88	20.56
Hungary	93.8	112.9	5.5	6.3	16.95	17.94	20.51	24.04
Finland	162.1	221.8	8.6	10.0	18.78	22.11	18.78	29.63
Italy	108.9	153.0	8.4	8.7	12.93	17.70	15.65	23.72
West Germany	88.9	214.1	6.2	5.9	14.34	36.59	17.35	49.03
France	43.3	91.0	3.1	5.4	14.07	17.00	17.02	22.78
Yugoslavia	51.3	99.3	3.4	3.9	15.10	25.53	18.27	34.21
Sweden	58.0	58.3	4.4	3.2	13.31	18.11	16.11	24.27
Netherlands	40.2	135.6	2.4	3.2	16.55	42.11	20.03	56.43
Belgium	35.7	68.6	2.5	1.7	14.18	41.07	17.16	55.03

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TABLE 6: SOVIET TRADE, GRAINS

	<u>EXPORTS</u>		<u>IMPORTS</u>	
	<u>1972</u>	<u>1973</u>	<u>1972</u>	<u>1973</u>
Total Grains: Millions of Roubles	271.8	359.5	733.2	1,146.1
Millions of Tons	4.6	4.9	15.5	23.9
Wheat Millions of Roubles	240.1	322.1	424.0	749.3
Millions of Tons	3.9	4.2	8.1	15.2
Roubles/Ton	61.73	76.81	53.45	49.30
Barley Millions of Roubles	12.9	15.5	101.5	97.7
Millions of Tons	.29	.27	2.6	1.9
Roubles/Ton	44.48	57.41	39.04	51.42
Oats Millions of Roubles	.4	1.3	-	-
Millions of Tons	.003	.02	-	-
Roubles/Ton	52.13	65.00	-	-
Corn Millions of Roubles	12.4	20.6	179.9	230.8
Millions of Tons	.25	.37	4.1	5.4
Roubles/Ton	49.60	55.67	43.87	42.74
Rye Millions of Roubles	-	-	4.4	63.6
Millions of Tons	-	-	.1	1.3
Roubles/Ton	-	-	43.74	48.94

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TABLE 7: SOVIET TRADE, WHEAT

IMPORTS FROM:	1972	1973	1972	1973	1972	1973
	(Millions of US Dollars)	(Millions of US Dollars)	(Millions of Tons)	(Millions of Tons)	(US Dollars Per Ton)	(US Dollars Per Ton)
Canada	264.6	243.3	3.99	3.54	66.67	68.73
U.S.A.	142.7	639.6	2.41	9.84	59.22	64.99
France	33.0	21.8	.54	.34	61.24	63.34
EXPORTS TO:	<u>THOUSANDS OF US Dollars</u>		<u>THOUSANDS OF TONS</u>		<u>US DOLLARS PER TON</u>	
Afghanistan	N.A.	N.A.	0.0	12.1	N.A.	N.A.
East Germany	78,600	76,202	1,047.9	879.0	74.58	86.70
North Korea	13,114	17,039	156.6	181.8	83.74	93.73
Cuba	30,239	29,756	436.6	419.8	62.00	70.89
Morecco	1,634	6,289	20.0	69.5	81.68	90.49
Poland	73,406	89,298	956.5	960.9	76.75	92.93
Finland	742	607	9.3	5.1	79.75	119.09
Czechoslovakia	70,347	63,855	898.0	759.8	78.34	84.03

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TABLE 8: SOVIET TRADE IN RAW MATERIALS
OF PLANT AND ANIMAL ORIGIN
(EXCEPT FOOD)

		<u>1972</u>	<u>1973</u>	<u>% Change*</u>
		<u>(Millions of Dollars)</u>		
TOTAL	Exports	1,654.1	2,232.6	21.8
	Imports	1,146.8	1,522.4	16.6
Timber, Pulp and Paper	Exports	939.8	1,367.5	31.4
	Imports	287.7	335.3	5.2
Textile Raw Materials	Exports	584.3	690.8	6.7
	Imports	531.0	771.0	31.1
Furs, Pelts and Leather	Exports	75.9	92.9	10.6
	Imports	112.3	177.8	43.0
Seed Grains and Planting Materials	Exports	20.5	24.9	9.6
	Imports	101.8	61.9	-55.1
Essential Oils, Exotic Resins, and Medicinal Raw Materials	Exports	7.8	13.9	62.3
	Imports	15.7	25.1	43.6
Fats and Industrial Oils	Exports	3.6	3.4	-16.1
	Imports	16.9	24.4	29.8

Note: The breakdown gives only the major items and therefore will not sum to the total.

* Discounting the change in the exchange rate between 1972 and 1973.

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TABLE 9: SOVIET EXPORTS OF SELECTED WOOD PRODUCTS

	<u>1972</u>	<u>1973</u>	<u>% Change*</u>
	(Millions of US Dollars)		
Round Timber	305.5	547.3	61.7
Sawn Timber	379.9	499.4	20.9
Glued Plywood	41.1	54.3	18.9
Cellulose Sulphite	51.6	56.7	-.07
Paper	89.3	108.7	9.9
Cardboard	35.7	44.09	11.6

* Discounting the change in the exchange rate between 1972 and 1973.