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EUROPEAN COMECON COUNTRIES: PURCHASE OF METALLIC RAW MATERIALS FROM WESTERN INDUSTRIALIZED COUNTRIES AND DEVELOPING COUNTRIES (AS PER MAY 1976)

Note by the German Delegation

In the supply of metallic raw materials the COMECON countries depend strongly on one another and especially on the USSR. Some COMECON countries are important producers of certain metals such as bauxite/aluminium (Hungary, Romania), lead (Bulgaria, Poland), copper (Poland), zinc (Bulgaria, Poland) and even provide a substantial proportion of the world production.

Since about 1970 imports from western industrialized countries and developing countries, in addition to those from the partner countries have been increasingly important. Reasons for this are the rapidly growing requirements of metals, the not unlimited willingness and ability to supply of the USSR, and the fact that the USSR has adapted its raw material prices to those of the world market in the past 2-3 years. Although some co-operation projects in developing countries have been initiated by COMECON countries with the purpose of ensuring their raw material supply, the major part of the purchases is still based on trade agreements. The latest efforts of the "Group of 77" are aiming at abandoning the present system of compensation purchases of equal value, and at obtaining from the Communist countries the abolition of import duties and other trade barriers (see summary table of supply percentages in the Annex).

Remark:
This study does not deal with Yugoslavia which is only associated with the COMECON and is, to a large extent, a self-supplier and exporter of metallic raw materials.

This document includes: 1 Annex

1. Bulgaria

Bulgaria exports lead and zinc and meets its copper requirements from the domestic production.

1.1. Aluminium

Bulgaria has not bauxite deposits and no aluminium production; it has to meet its whole aluminium requirements from imports. About 40 % of the imports, which amounted to about 40,000 tons in 1974, came from non-communist countries (55 % were supplied by the USSR). In 1970, the share of non-communist countries in imports had only been 12 %, that of the Soviet Union 85 %.

1.2. Copper

Although Bulgaria meets its copper requirements in general from its domestic production, it cannot be excluded that there are bottlenecks in the mining output. In 1974, Bulgaria purchased 5,500 tons and in 1975 3,400 tons of copper (copper contents in the concentrate) from Chile. In the trade agreement concluded with the Philippines in May 1975, the supply of 30,000 tons of copper concentrate was, inter alia, agreed.

1.3. Tin

The large supply gap of tin within the COMECON compels Bulgaria to meet its whole requirements (500 to 700 tons per year) by imports from non-communist countries; the supplying countries were Malaysia and Great Britain. It is unknown whether the construction of a tin processing plant by Bulgaria in Somalia in 1973 has resulted in or will result in tin supplies. A Bulgarian team of geologists is prospecting for tin in Somalia at present.

2. CSSR

The strongly industrialized CSSR does not have many metallic raw materials. The domestic mining output of lead, zinc, copper, tin, tungsten, antimon, and mercury meets only a small part of the domestic requirements - except in the case of the two latter metals.

2.1. Aluminium

The CSSR's aluminium supply is based exclusively on imports; both bauxite and aluminium are imported. Aluminium is supplied by the USSR and Yugoslavia; since 1970, about 10 % of the bauxite consumption have been imported annually from non-communist countries, mostly India. This represents only a proportion of about 7 % of the overall aluminium requirements.

2.2. Copper

Although Czechoslovakia's copper supply depends, apart from the small domestic output, completely on imports from the USSR, Poland, and Yugoslavia, there are trade relations in this field with countries of the Third World. Under the terms of an agreement concluded between the Czech foreign trade agency METALIMEX and the Peruvian state-operated mining society MINEROPERU in 1972 the CSSR will purchase 150,000 tons of copper concentrate (copper contents: 38,000 tons) between 1973 and 1980 . The CSSR imported several thousand tons of copper concentrate from Algeria in 1973 and 1974. It cannot be excluded that these supplied are in connection with the construction of a copper mine near Beni Mellal (Central Atlas mountains) planned with Czech aid for 1975.

2.3. Tin

The CSSR meets only 2 % of its tin requirements from domestic mining. Four per cent of tin imports came

from China in 1974, major imports came from Bolivia, Malaysia, and Indonesia and 7 % from the Netherlands. Eighteen per cent of total imports in 1975 (about 4,000 tons) came from Malaysia. The CSSR intends to increase its tin purchases from Malaysia on the basis of a long-term agreement.

2.4. Chromium ore

The CSSR's chromium requirements (1974 = 183,000 tons) are met by imports. The proportion supplied by non-communist countries - mostly Iran and Turkey - which amounted to 31 % in 1972 dropped to 21 % in 1973 and to 6 % in 1974. This was balanced by increased supplies from Albania and Yugoslavia. In spite of this, the CSSR showed an interest in the exploitation of Greek chromium ore deposits in 1975 and offered a 50 % participation in investments.

2.5. Manganese ore

The whole manganese requirements of the CSSR (1974 = 475,000 tons) are imported. In 1973 and 1974 the USSR provided 70 % per year, and the rest was provided by Belgium, Luxemburg, Brazil, Gabon, Ghana, India, and Australia. In 1976 for the first time, 5,000 tons were purchased from Egypt.

2.6. Tungsten

The CSSR produces about 6 % (80 tons per year) of its requirements of tungsten concentrate estimated at 1,400 tons. The rest is imported from western countries, partly from the USA and the Netherlands. In 1975, the CSSR tried to participate in investments for Thailand's tungsten production with the intention to purchase tungsten there. In March 1976, the CSSR was offered 650 tons of tungsten by the People's Republic of China.

3. GDR

The GDR has few metallic raw materials. The mining output of copper, tin, nickel, and tungsten meets only a small portion of the domestic requirements.

3.1. Aluminium

The GDR's aluminium supply is based on imports of bauxite from Hungary and Yugoslavia, of alumina from Hungary and the Federal Republic of Germany, and of aluminium from the USSR, Yugoslavia, and Hungary. A primary aluminium consumption of 228,000 tons was planned for 1975. The alumina imports from the Federal Republic of Germany (calculated in aluminium) were to contribute a proportion of 13 %. These planning figures do not contain the 10,000 tons of bauxite, the supply of which was agreed with Guyana in a trade agreement of 1974 and which arrived in the GDR in December 1975. For mid-1976, the supply of 10,000 tons of bauxite from Guinea is planned for the first time.

3.2. Lead

38 % of the GDR's lead supply - the consumption amounted to 91,000 tons in 1975 - is based on the domestic production from scrap, 49 % are imported from the USSR, and 13 % from non-communist countries. The most important non-communist suppliers in 1974 were Great Britain (7,500 tons) and Mexico (2,000 tons). In 1970, no lead had been imported at all from non-communist countries.

3.3. Copper

The GDR's refined copper consumption of 100,000 tons in 1975 was covered by 39 % from the domestic production (domestic ore and scrap). According to the plan, 38 % of the requirements were to be purchased from the USSR

and 23 % from non-communist countries. In 1970, no copper was imported at all from non-communist countries. It appears, however, that the Soviet share was 44 % and that of non-communist countries only 17 % in 1975.

In 1975, the GDR imported for use by its domestic industry at least 37,300 tons of concentrate (about 11,200 tons of copper contents) from Canada (14,000 tons), Australia, Great Britain, Sweden, Japan, Tunesia, Algeria, and Venezuela as well as 7,600 tons of copper, mostly from Chile.
Moreover, the GDR imported 11,000 tons of copper from Chile and 4,000 tons from Peru, most of which was stored, however, with a firm in Hamburg and re-sold to London. One shipload was already re-sold before it arrived in Hamburg.

According to statistical data, the GDR purchased 27,900 tons of copper from the Federal Republic of Germany in 1975. In fact, however, 31,000 tons of copper wire were purchased by the GDR (firm of INTRAC) from firms in the Federal Republic of Germany. This copper was shipped in several portions from Hamburg to the destination of Wittenberge and then returned to Hamburg on the same ships. There, it was stored in the free port for the disposal of INTRAC and subsequently re-sold to London. This transaction with copper from the Federal Republic of Germany was probably one of the GDR's illegal foreign currency deals.

In 1973, the GDR concluded a five-year trade agreement for the supply of mining products, i.a. copper, with Australia and another one with a three-year term with Peru in 1975.

3.4. Zinc

The GDR's zinc supply depends completely on imports. The estimated consumption of 66,000 tons in 1975 was covered by 23 % from the domestic production, by 70 % from imports from communist countries - mostly the USSR - and by 7 % from imports from non-communist

countries. The domestic production, however, is based exclusively on imported concentrates from non-communist countries (Federal Republic of Germany, USA, Chile, Peru). Therefore, the GDR's dependence on zinc imports from non-communist countries amounts to 30 % and shows a rising trend.

The trade agreements concluded with Australia and Peru in 1973 and 1975 (see para 3.3 copper) provide also for zinc supplies.

3.5. Tin

42 % of the GDR's tin consumption (1975 = 2,600 tons) is covered from domestic mining, the rest is imported from non-communist countries. In 1975, the Federal Republic of Germany supplied 61 % and Great Britain at least 11 %. After the planned development of tin deposits near Johanngeorgenstadt the GDR will become a tin exporter by 1985 at the latest.

3.6. Nickel

Until 1974 it was possible to meet the requirements of ferro-nickel and pure nickel exclusively from domestic mining as well as by imports from the USSR and Cuba. In 1975, the GDR imported about 1,200 tons of nickel, partly as concentrate, from non-communist countries which represents a share of 28 % in the consumption.

3.7. Manganese

The GDR's supply of manganese ore and manganese depends fully on imports. Ore imports in 1974 amounted to about 160,000 tons; 150,000 tons were supplied by the USSR. It is assumed that 5,000 tons were imported from Romania and 6,200 tons from Morocco (corresponding to a share of 4 %).

The GDR's supply with electrolyte-manganese is based on a domestic production of imported ore, imports from the Soviet Union and from non-communist countries - mostly Great Britain. The imports from non-communist countries amounting to about 40 tons per year represent about 23 % of the consumption.

3.8. Chromium

Requirements of chromium ore and chromium in the GDR are exclusively covered by imports. Until 1974, the required ore quantities of 44,000 tons were purchased exclusively in the USSR (30,000 tons) and Albania. In 1975, more than 20,000 additional tons were purchased from Iran and a smaller quantity from Turkey which represents a share of 40 % in estimated total requirements of about 50,000 tons.

The share of pure chromium supplies from non-communist countries amounts to 15 %.

3.9. Tungsten

The mining output of tungsten in the GDR is less than 1 % of the consumption of about 1,600 tons annually. Approximately 12 % of the required imports come from the People's Republic of China, 87 % from non-communist countries, especially Great Britain and the USA. The tungsten quantities purchased from non-communist commercial firms is partly also of Chinese origin.

3.10. Antimony

The GDR does not produce any antimony. The requirements (1975: about 680 tons) are met by imports from the People's Republic of China (30 %) and non-communist countries (70 %), Great Britain being the most important supplier.

3.11. Cobalt

Since 1965 the GDR has no longer been supplied with cobalt by the USSR but exclusively by non-communist countries (1975: about 230 tons).

3.12. Cadmium

The GDR's cadmium production (1975: about 450 tons) covers 4 % of domestic requirements; 46 % are imported from the USSR and 50 % from non-communist countries, mostly Great Britain.

3.13. Molybdenum

No exact information is available on the GDR's molybdenum supply. There seems to be a dependence on non-communist countries; between August 1974 and November 1975 the GDR purchased at least 620 tons of molybdenum in Chile, Great Britain, USA and 260 tons of molybdenum ore in the Federal Republic of Germany.

3.14. Palladium

Ten per cent of its palladium requirements (1975: about 2,900 kg) are purchased by the GDR from the USSR; 90 % are imported from non-communist countries; the main supplier is Great Britain.

4. Poland

Poland has relatively important non-ferrous metal deposits. It produces almost 3 % of the world's copper production, 3.5 % of the world's zinc production as well as small quantities of lead, cadmium, silver, and other metals.

4.1. Aluminium

Poland's aluminium consumption of about 135,000 tons (1974) is met by the domestic production which is fully

based on imports of bauxite and alumina, as well as aluminium imports. 70 % of bauxite and alumina are imported from Hungary and Yugoslavia, 30 % from non-communist countries, mostly from the USA, Italy, France, Guinea, and Australia. The aluminium imports come from the USSR and Yugoslavia; the share from non-communist countries in Poland's overall aluminium supply is 23 %.

4.2. Tin

Poland's tin consumption (1974: about 4,500 tons) is based on imports from the People's Republic of China (2 % in 1974), Great Britain, Malaysia, Indonesia, and Bolivia.

4.3. Manganese ore

Poland meets its requirements of manganese ore by imports (1974: 555,624 tons), mostly from the USSR. The share from non-communist countries is 10 %.

4.4. Chromium ore

Poland's supply of chromium ore is based on imports (1974 ≙ 162,266 tons). The main supplying countries are the USSR and Albania; the import share from non-communist countries is 8 %.

4.5. Magnesium

Until 1975 Poland purchased two thirds of its magnesium requirements (1974: about 1,500 tons) from the USSR; the rest was produced in Poland. The trade agreement with the USSR which came into force in 1976 does not provide for any Soviet supplies of magnesium to Poland. Therefore, Poland will have to cover its magnesium requirements in the West from 1976.

4.6. Tungsten

Poland's total tungsten requirements are met by imports. 17 % of these imports (1974 = 1,692 tons) came from the People's Republic of China, 80 % from Great Britain, and 3 % from other non-communist countries.

5. Romania

Romania has become an important aluminium producer within a few years; it meets its requirements of lead and zinc from its own production and produces also copper.

5.1. Aluminium

Romania's aluminium production is based on the mining of bauxite deposits in the country. Their exhaustion and/or deterioration is probably foreseeable. This is the only explanation for the extremely high imports of bauxite and alumina from Greece since 1973 as well as the long-term securing of bauxite and alumina imports under a cooperation agreement concluded with Guinea in 1974.

5.2. Copper

Romania covers about 70 % of its copper consumption (1974: about 58,000 tons) from its domestic production. About 15 % are imported from the USSR and Poland and about 15 % from non-communist countries (1974 from Chile, Japan, and the Federal Republic of Germany). 9,000 tons of copper concentrate were purchased from Chile for the first time in 1976. Romania is participating in Zambia's copper production through the setting up of a Romanian-Zambian company and intends to start there with a mining output of 1,000/2,000 tons of ore per day in 1978 which is to increase to 4,000 tons per day by 1982. Joint copper and zinc mining companies have also been established with Peru and Chile.

5.3. Tin

Romania's tin supply (1974: about 3,100 tons) is based on imports, for the major part from non-communist countries (Great Britain, Netherlands, Switzerland, Malaysia), for a lesser part from China.

5.4. Nickel, tungsten, chromium ore

For the supply with these steel refining metals Romania depends completely on imports. No detailed information about the supply situation is available. Nickel is imported from the USSR, Cuba, and non-communist countries. In 1973, the Netherlands provided 23 % of the requirements, i.e. 700 tons. Tungsten was imported, inter alia, from Austria and Switzerland in 1973. The major part of the chromium ore supplies came from Albania, Iran, and Turkey in 1973 (at least 7,000 tons in total). Romania intends to purchase almost 500,000 tons of manganese ore from the Phillipines within the next five years.

6. Hungary

In Hungary metallic raw materials are in poor supply, except bauxite and manganese ore.

6.1. Lead

Lead is provided by a minor domestic mining production and imports from the USSR. In 1973, 3,750 tons of lead (which represents 27 % of consumption) were imported for the first time from Australia, Peru, and the Federal Republic of Germany. Under the terms of a trade agreement concluded with Peru in 1975 Hungary will purchase various non-ferrous metals, among them lead, for 36 million US $ from 1976 to 1978.

6.2. Copper

Hungary's own copper output meets about 3 % of its requirements. In 1973 and 1974, 13 % and 17 % of the required imports came from non-communist countries, mainly from Chile. There may be a change in Hungary's copper supply situation when newly discovered domestic deposits are opened up, as intended.

6.3. Tin

Hungary's tin consumption of about 1,300 tons (1974) depends fully on imports from outside the COMECON area. The most important supplier during recent years has been Great Britain with a share of 61 % (1974).

6.4. Chromium ore

The major part of Hungary's chromium ore requirements are met from the USSR and Albania. At the end of 1975 Hungary negotiated with the Phillipines the purchase of major quantities of chromium ore in 1976.

6.5. Tungsten

Hungary's tungsten supply is based on imports (1973 = 621 tons). 60 % came from China and the People's Republic of Mongolia; 40 % were supplied by Perú, Australia, Great Britain, Bolivia, and Portugal.

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ANNEX to
AC/127-WP/487

European COMECON Countries: Purchases of Metallic Raw Materials from Western Industrialized Countries and Developing Countries (Supply Percentage) As per May 1976

	Aluminium	Lead	Copper	Zinc	Tin	Chromium	Cobalt	Manganese ore	Molybdenum	Nickel	Tungsten	Antimony	Cadmium	Magnesium	Palladium
Bulgaria	40	0	+	0	100	•	•	-	•	•	•	•	•	•	•
CSSR	7	-	+	+	94	6	+	30	•	•	94	0	+	•	•
GDR	13	13	23	30	58	40	100	4	+	28	87	70	50	-	90
Poland	23	0	0	0	98	8	+	10	+	•	83	•	0	100	•
Romania	+	0	15	0	*75	+	•	+	+	*25	*50	•	•	•	•
Hungary	0	*25	17	*20	100	+	•	0	•	+	40	•	•	•	•

* Estimated figure, but which amounts at least to the percentage indicated

\+ Implemented or planned deliveries (even if not mentioned in the text); supply percentage small or not identifiable

• No data on supplies from non-communist countries available

0 No supplies from non-communist countries; requirements are met from the domestic production

\- No supplies from non-communist countries