

N A T O R E S T R I C T E D

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NATO COUNTRY IMPORTS OF OIL FROM THE COMMUNIST COUNTRIES
IN 1970

Note by the Chairman of the Economic Committee

In accordance with the procedure followed since the beginning of the 1960s relating to periodic communication of information on NATO country imports of oil from European Communist countries, the Economic Committee recently reviewed data for 1970, for which full statistics are available.

2. The Committee thought it advisable, exceptionally, to submit the attached report to the Council in order to acquaint it with the current situation.

(Signed) Y. LAULAN

NATO,
1110 Brussels.

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NATO COUNTRY IMPORTS OF OIL FROM THE COMMUNIST COUNTRIES
IN 1970Report by the Economic Committee

The attached statistical tables, prepared with the co-operation of the Statistics Service and on the basis of data assembled by the OECD Oil Committee(1), indicate, on the one hand, the volume of NATO countries' imports of oil from the Communist countries in 1970(2) and, on the other hand, the degree of dependence on these imports and developments in this respect since 1960.

2. In 1970, oil from the Eastern countries not only continued to represent a very modest proportion of overall NATO Europe imports and consumption - 4.2% and 5.1% respectively - but the figures were even very slightly down on 1969. An upward trend was, however, noted in the case of Belgium, the Federal Republic of Germany and the Netherlands. The proportion remained fairly high for Iceland, Greece and Italy even though the figures for those three countries have fallen by comparison with previous years.

3. The gradual contraction of the share of oil imports from Communist countries may be explained by the disparity between the rate of growth of deliveries by those countries to NATO Europe and of aggregate imports by the latter. In 1970, the Communist countries sold approximately 26.2 million tons of crude oil, components and petroleum products to NATO Europe as compared with 24 million tons in 1969, making an increase of 9%. At the same time, total imports by NATO Europe rose by 12.6% from 563.9 million tons to 635.1 million tons(3).

4. As regards NATO-North America, Canada buys practically no oil from the East. The United States in contrast has purchased fuel from the USSR and from Rumania. The total volume of these purchases is negligible in relation to total United States imports (0.3%), and insignificant in relation to consumption; nevertheless imports have risen steeply, from 338,000 tons in 1969 to 576,000 tons in 1970.

5. Of the Communist countries, the USSR is NATO Europe's main supplier with 84% of the total. In 1970 its deliveries, 22.1 million tons, were up by 5.7% in relation to 1969. This was due to a rise in petroleum product sales of 1.7 million tons as against a fall of some 500,000 tons in sales of crude

(1) The OECD oil statistics are incomplete as regards Greek imports in 1970. The figure for purchases from the Eastern countries has been obtained from other sources (see notes at Annex to tables).

(2) In this note, the term "Communist countries" only covers the USSR, Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Rumania, the GDR and East Berlin.

(3) See table III at Annex.

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oil. This trend which is mainly due to increased purchases by the Federal Republic of Germany and the Benelux countries only affects a small tonnage. It is worth mentioning, however, since it could indicate a Soviet wish to step up its sales of petroleum products - within the limits set by its refining capacities - rather than of crude oil which is less profitable.

6. Soviet statistics indicate that in 1970 the USSR exported 95.8 million tons of oil(1). Reference to the data supplied by the OECD shows that NATO Europe accounts for a substantial proportion, 23%, of this total(2). The importance of the latter as a Soviet oil customer becomes all the more apparent if it is remembered that this group of countries bought just over half of the 41.2 million or so tons of oil which the Soviets sold to the industrialised non-Communist countries, the majority of which conduct their transactions in hard currency(3).

7. Rumanian sales to NATO countries remained constant in 1970 in comparison with the previous year: i.e. at approximately 1.8 million tons. The other East European countries whose oil resources are small and insufficient for local requirements have nonetheless stepped up their exports by 84% in one year. Well in excess of Rumanian exports, sales totalled 2.7 million tons. This somewhat paradoxical development could perhaps be explained by the fact that the Soviet Union may have authorised those countries to sell a small proportion of the oil which they get from the USSR to the Western countries as a means of obtaining the hard currencies which they lack. Another possibility could be that some of these countries, the GDR and Bulgaria in particular, which imported nearly 3 million tons of oil from the Middle East (particularly Syria and Egypt) in 1970, had a surplus of petroleum products for export that year.

(Signed) Y. LAULIAN
Chairman

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- (1) Broken down, according to Western sources, approximately as follows: Eastern Europe 40.3 million tons; Cuba 6 million tons, Asian Communist countries 1.5 million tons; Yugoslavia 2.7 million tons, industrialised non-Communist countries 41.2 million tons, Third World countries 4.1 million tons.
- (2) This percentage is probably slightly below the true percentage in view of the differences between the figures from Russian and from OECD sources. These differences can be explained by the possible time-lag between the registration of customs statistics and also by registration methods which can vary from one country to another.
- (3) See AC/127-WF/295 and Corrigendum.

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TABLE I

DEGREE OF NATO COUNTRY DEPENDENCE ON OIL FROM THE COMMUNIST COUNTRIES
 (a) - PRODUCTS AND PRODUCE EQUIVALENTS (b) - AVERAGE PERCENTAGE
 BETWEEN 1960 AND 1965; ANNUAL PERCENTAGE BETWEEN 1966 AND 1970

NATO countries	Percentage of imports from Communist countries in relation to overall imports (c)		Percentage of imports from Communist countries in relation to overall consumption (d)	
	Average % 1960-1965(4)	1966	1967	1968
Belgium	2.3	4.3	6.1	1.6
Denmark	4.3	2.6	6.3	4.9
France	3.4	5.2	5.4	3.3
France (1)	8.4	7.1	6.8	6.9
Fed Rep of Germany	33.4	21.3	17.7	15.6
Greece	90.8	93.3	86.1	73.2
Iceland	14.3	10.5	18.1	11.3
Italy	-	-	-	-
Luxembourg	neg	0.1	0.2	1.6
Netherlands	6.5	5.7	6.6	5.9
Norway	1.7	-	-	-
Portugal	0.7	2.8	4.3	3.3
Turkey (3)	0.2	neg	neg	neg
United Kingdom	5.4	5.0	6.6	5.1
Sub-total I	-	-	-	-
Canada	-	-	-	neg
United States	-	-	neg	neg
Sub-total II	-	-	-	neg
Total - NATO	3.6	3.6	2.4	2.0
	(1)	(2)	(10)	(12)
	(0)	(3)	(9)	(11)
	(7)	(4)	(8)	(6)
	(5)	(6)	(7)	(5)
	(6)	(7)	(8)	(4)
	1970	1969	1966	1965(4)
	1967	1968	1967	1970

Notes to Tables I, II and III

- (a) For the purposes of this document, the term "Communist countries" only covers the USSR, Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Rumania, the GDR and East Berlin.
- (b) Crude and semi-refined oil has been converted into "product equivalents" by reducing by 7%.
- (c) Including bunkering abroad.
- (d) Domestic consumption and bunkers.

(1) In the case of the Federal Republic of Germany, the term "oil from Communist countries" covers both imports from the various Communist countries and deliveries within the framework of trade between the Federal Republic and the GDR. These deliveries totalled 288,000 tons in 1969 and 802,000 tons in 1970.

(2) Greece - 1970: OECD estimates for total imports of crude oil. No breakdown is given either for these imports or for imports of petroleum products. The figure given for imports from the USSR, 928,000 tons, is an estimate from Western sources. The breakdown of these figures between crude oil and petroleum products (two-thirds and one-third) has been made by the International Staff. Greece also imports oil from Rumania but no figures are available for purchases in 1970.

(3) Turkey: OECD oil statistics for 1969 gave no breakdown of Turkish imports (see AC/127-D/338, dated 29.3.71). It has since been possible to supplement the data for this country from the figures for imports from the Eastern countries recorded in the 1969 Foreign Trade Statistics (Series C) distributed by OECD.

(4) Data for Canada and the United States are not available for 1960, 1961 and 1962. The average percentage for NATO countries as a whole therefore only applies to 1963, 1964 and 1965.

(neg) = negligible

(..) = data not included in OECD oil statistics.