

BS
May 7
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CZECHOSLOVAKIA
BULGARIA
HUNGARY

TRADE /3300/
USSR and
Satellites /3305/

EXPORT OF LABORATORY CHEMICALS.

SOURCE BERLIN: Confidential source.

DATE OF OBSERVATION: March 1956.

CZECHOSLOVAKIAN EVAL. COMMENT: Attention Economic Editor.

Ample information is available here concerning trade between Czechoslovakia and GDR. However, very little has been reported here about the import of chemicals to Czechoslovakia from Eastern Germany. "Lidová demokracie" of February 6 1955, page 2, dealt with the signing of the new agreement between the two countries for 1955, and stated that the exchange volume was raised by 20 per cent. RFE Monitoring of June 10 1955, page 8109, stated that the GDR occupies a third place in the Czechoslovak foreign trade. /First is the USSR, second Poland./ For details please contact the CS Evaluation Desk.

BULGARIAN EVAL. COMMENT: No information on the reported deal is available here. According to the trade agreement between Bulgaria and East Germany, chemicals constitute a part of the trade volume.

HUNGARIAN EVAL. COMMENT: It is known that East Germany exports chemicals to Hungary.

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The CSR, Hungary, Bulgaria and North Korea are the main purchasers of East German laboratory chemicals, as far as East-bloc countries are concerned. Poland buys very little, the Soviet Union almost none.

There were altogether some 3,000 laboratory and fine chemical products valued at about two million rubles which were exported to Socialist or Capitalist countries in 1955. While there are hardly any laboratory or fine chemicals that may not be sold to Eastern bloc countries, the sale of certain chemicals to Western purchasers has been strictly prohibited since early 1953. Copper sulfate, for instance, is not free for sale to Capitalist countries.

About 60 per cent of the exported laboratory or fine chemicals go to Eastern, some 40 per cent to Western countries.

Most of the chemicals exported are sold at a loss. The section "Labor -und Feinchemikalien" of the "Deutscher Innen-und Aussenhandel" /DIA/ is officially subsidized for that purpose.

That section is only one of the fourteen belonging to the "DIA" Chemie /Chemicals/ which employs altogether about 560 people and by its annual turnover constitutes one of the most important export agencies of the GDR.

In non-Eastern countries, the section cooperates with the following firms:

Finland: The firm of LUEDERS, in HELSINKI. This firm purchases only within the framework of the East German-Finnish trade agreement.

Egypt: The firm of ABD el HALEM, BADR el DIN, in CAIRO. This trade agent must be very well off as he purchases the subsidized East-German products for almost nothing compared with what he sells them for to universities and hospitals in Egypt.

Switzerland: The firm of SIEBER and HEGNER in ZURICH. This firm has its own representative in West /!/ BERLIN. Her name is Mrs. ORTKEGEL. Lately she purchased large quantities of isocamyl bromide.

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England: The firm of LIGHT & Co., in LONDON. This firm bought plenty of amino acid through its agent /fnu/ GRUENTER in West BERLIN.

North Korea recently purchased 50 kilograms of "methylrot" allegedly for the purpose of dying cloth.

Owing to the numerous bottlenecks, the export of laboratory and fine chemicals is constantly hampered by unforeseeable difficulties centering around the packing of the goods earmarked for export.

When Bulgaria a short time ago asked for chemicals to be bottled in three-kilo glass bottles, the contract could not be concluded until the Bulgarians finally decided to purchase themselves from the "DIA" section "Glass and Ceramics" those bottles needed by the "DIA" section "laboratory and fine chemicals" for the Bulgarian order.

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