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SOURCE Chemische Industrie, No 1, 1951.

REORGANIZATION OF THE GDR PHARMACEUTICAL INDUSTRY

The pharmaceutical supply situation in the German Democratic Republic is critical. Pharmaceutical plants are unable to cope with the demand for even the most important products. There is an acute shortage of sulfanilamide, para-aminosalic acid, hormone and vitamin preparations, local anesthetics, and other important preparations. It is up to the GDR planning authorities to alleviate these shortages by expanding the pharmaceutical industry, in which 1951 investments are to be six times greater than in 1949. Special stress has been placed on the production of penicillin, which is now sufficient to supply Soviet Zone needs. Production of other important medications such as Tb I/698, paraaminosalic acid, and vitamins has been stepped up. To ensure an adequate supply of narcotics, the cultivation of poppies for the production of morphine is being encouraged by offers of special premiums. However, because of a poor harvest the yield was far below expectations.

The shortage of high-grade pharmaceuticals has led to the establishment of enterprises which, lacking the necessary qualified personnel and proper production means, have placed on the market widely advertised preparations of dubious quality. Some of the better-equipped establishments have also put out inferior products because of the scarcity or poor quality of available raw materials.

These conditions have led to the introduction of long-planned reforms in the pharmaceutical industry. The decree of 5 October 1949 pertaining to the regulation and supervision of trade in medicinal supplies provides that all pharmaceuticals produced after 1 January 1951 be submitted to the Ministry of Labor and Public Health for testing and subsequent recording in a register maintained by the ministry. Since the promulgation of this decree, approximately 4,500 various preparations have been recorded by 510 enterprises. An estimated 40-60 percent of the pharmaceutical plants, anticipating that their products would not pass official tests, did not bother to submit them. According to these figures, some 700-800 enterprises in the GDR are engaged in the production of pharmaceuticals. The Soviet Zone places a value of approximately 160 million East marks on 1948 production, and of approximately 200 million East marks on the 1949 output of pharmaceuticals.

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Although there had been little doubt that the pharmaceutical industry was earmarked for streamlining, the reforms were more drastic than had been anticipated. Of the 510 enterprises submitting their products for testing, only 200 were registered, as illustrated by the following table:

<u>Land</u>	<u>No of Enterprises Who Recorded Their Products</u>	<u>No of Enterprises Whose Products Have Been Approved</u>
Sachsen	263	84
Sachsen-Anhalt	47	33
Berlin (East sector)	58	31
Thuringen	92	28
Brandenburg	38	16
Mecklenburg	<u>12</u>	<u>8</u>
Total	510	200

As will be noted, Sachsen has the largest number of pharmaceutical plants. However, only nine of these enterprises are of significant size. They are the VVB (Federation of People-Owned Enterprises) Alcid Chemische Fabrik von Heyden (Von Heyden Alcid Chemical Plant) in Radebeul, VVB Pharma Pharmazeutische Werke Gehe (Gehe Pharma Pharmaceutical Plant) in Dresden, VVB Pharma Pharmazeutische Werke Madaus in Radebeul, Otto Stumpf A.-G. in Leipzig, Dr Willmar Schwabe (special pharmaceuticals), Saechsisches Serumwerk (Sachsen Serum Plant) in Dresden, Leo-Werke G.m.b.H. (Leo Works, Ltd) in Dresden, Lingner-Werke G.m.b.H. (Lingner Works, Ltd) in Dresden, and the VVB Pharma Vasenol Werk in Leipzig.

Sachsen-Anhalt's leading pharmaceutical plant is Organa VVB Fallberg-List in Magdeburg. Others are VVB Pharma Acid /sic/ Serum Institut in Dessau, Chemicwerk Leuna A.-G. (for mineral fertilizers), Stickstoffwerk Piesteritz (nitrogen plant) Farbenfabrik Wolfen (paint factory), and VVB Sapotex Deutsche Hydrierwerke (hydrogenation plant), in Rodleben.

The most important East Berlin producers of pharmaceuticals are Kali-Chemie in Niederschoenevide, and VVB Pharma Schering A.-G. (and R. Schering), VVB Pharma Chemical Factory, Gruenau and Temmler Plants, and Dr Remmler's Chemical and Pharmaceutical Works, Berlin.

Thuringen's 140 pharmaceutical enterprises are of merely local significance. Many of them produce only household remedies. After 1 January 1951, not more than 30 percent of these establishments will be in operation, notable among them VVB Jenapharm and the Promassol Works of the VVB for Paper and Chemical Products.

Of the Brandenburg chemical plants, only three are significant: Carmol Works I and II of VVB Chemie-Papier, VVB Pharma Pharmazeutische Werke Byk in Oranienburg, and Patermann Brothers Biomalz Factory in Teltow.

Mecklenburg does not have any pharmaceutical plants of more than local importance.

Approved preparations numbered approximately 1,450 for the entire GDR, including 180 various kinds of teas. Only products of different types were counted in the foregoing total; identical products, i.e., goods packaged or prepared in various ways, were not taken into consideration. Enterprises whose goods were not approved were forced to cease production on or before 31 December 1950.

With the number of producers reduced by 70 percent as a result of this action, the entire structure of the GDR pharmaceutical industry underwent basic changes. Most seriously affected were the privately owned enterprises whose

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high-quality products were frequently not approved, even if such products were not manufactured elsewhere in East Germany. Of the enterprises which have been permitted to market their products after 1 January 1951, about one third are people-owned or trustee-administered. The fact that all large-scale chemical-pharmaceutical plants in the GDR are people-owned or SAG (Soviet Corporations) highlights the preponderance of nationalized enterprises over private ones. A similar preponderance is noted with respect to the proportion of products approved. Of 1,450 such products, more than one half have been produced by SAG and people-owned enterprises.

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