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BIWEEKLY REPORT

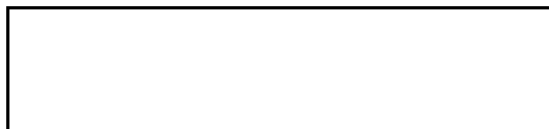
**SINO-SOVIET BLOC
ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS**

EIC-WGR-1/41

2 September 1957

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE



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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

Printed and Disseminated by the
Central Intelligence Agency

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Summary of Events
16 - 29 August 1957

Syria and Egypt were the principal focal points of Soviet Bloc economic activity in the underdeveloped countries of the Free World during the period 16 - 29 August 1957. A Syrian mission is now in Moscow allegedly to work out details concerning the appointment of Soviet experts who will be assigned to survey development projects in Syria. The Egyptian government apparently has decided to take over the concession for oil prospecting in Egypt's western desert when the Sahara Petroleum Company (a Western firm) leaves the area. It is probable that the newly organized Egyptian firm, the General Petroleum Company (which is expected to obtain some Soviet financial and technical backing), will be granted the concession.

In South Asia, Bloc economic activities include Soviet surveys for a physical and chemical laboratory to be constructed shortly in Kabul and a Czechoslovak agreement with Ceylon to provide equipment worth US \$65,000 to aid in the nationalization of the Ceylonese bus transportation system. A trade agreement was also concluded between North Korea and India.

The USSR on 21 August offered to buy surplus cotton from Sudan, apparently on a barter basis. In view of the drastic decline in Sudanese cotton exports to the Free World during the current season, acceptance of the offer seems possible.

Further Bloc economic activity in the Middle East and Africa includes the arrival of a Soviet trade mission at the opening of the trade fair in Izmir, Turkey; an agreement between the USSR and Iran providing for a joint survey of hydroelectric and irrigation projects on the Araks and Atrek Rivers; a trade agreement between Bulgaria and Tunisia; and a sizable contract signed by Poland and Portugal.

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Approved For Release 2005/08/22 : CIA-RDP92B01090R000700010041-5

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