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CIA/ER 76-10673 - -

5 November 1976

MEMORANDUM FOR:

Congressional Liaison Staff

VIA : Director, Office of Economic Research

VIA : Chief,

VIA : Chief,

SUBJECT : Soviet Production and Imports of Oil-field and Refinery Equipment

1. The attached tabular data are submitted in response to the request from the staff of Representative Harold Ford. Per our telephone conversation, classified information on Soviet imports from the United States is also included.

2. If you have further questions, please call me

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Soviet Imports of Oil Equipment from the US

During 1972-75, Soviet purchases and orders for Western oil and gas equipment and technology totaled some \$1.3 billion of which the US share was \$226 million, or about 17 percent. The major items of US equipment exported during these years included: 1) submersible oil well pumps; 2) compressors, spare parts, and insulation tape for pipelines; 3) well-head and down-hole equipment for oil and gas wells; 4) oil and gas pipeline metering equipment; and 5) well-logging equipment. No contracts or sales of refining equipment were noted during this period, although occasional Soviet inquiries were made about US refining technology.

Although US sales have not bulked large in total Soviet purchases of Western petroleum equipment and technology to date, negotiations underway on several large contracts could result in large deliveries of US equipment and know-how during the next several years, providing the USSR is not restrained by lack of foreign exchange. Deals are being discussed for US turnkey plants to produce marine wellhead equipment (\$250 million), ball valves (\$300 million), and submersible oil well pumps (\$100 million). US firms also have the inside track on orders for updating and refurbishing a Soviet drill bit plant (\$20-30 million), for sales of gas lift equipment

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to be used in West Siberian oilfields (\$300 million), for building facilities to construct mobile offshore drilling platforms (\$50-100 million), and possible for sales of several semisubmersible platforms or drillships (\$50-200 million).

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USSR: PRODUCTION OF OILFIELD AND REFINERY EQUIPMENT

<u>Year</u>	<u>Deep Well Pumps (000 units)</u>	<u>Turbodrills (units)</u>	<u>Electrododrills (units)</u>	<u>Complete Drilling Rigs (units)</u>	<u>Refinery Equipment (000 metric tons)</u>
1971	81	7,384	114	497	139
1972	81	7,694	86	512	157
1973	82	8,103	112	516	159
1974	85	9,328	104	483	172
1975	N.A.	N.A.	N.A.	N.A.	,170

source: Narodnoye Khozajstvo SSSR v 1974 g. (National Economy of the USSR in 1974), Moscow, 1975, p. 243.

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USSR: IMPORTS OF OILFIELD AND REFINERY EQUIPMENT
(Million rubles*)

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
<u>Oilfield Equipment**</u>	<u>40.5</u>	<u>36.7</u>	<u>31.7</u>	<u>32.5</u>	<u>133.1</u>
Romania	16.6	20.7	25.4	25.7	25.1
United Kingdom	14.0	8.5	0	0.1	1.4
United States	0.6	3.8	3.2	0.4	35.6
France	6.8	0.4	0.1	4.2	17.0
West Germany	0	0	0	0.1	34.6
Other	2.5	3.3	3.0	2.0	19.4
<u>Refinery Equipment</u>	<u>41.7</u>	<u>43.8</u>	<u>24.7</u>	<u>39.3</u>	<u>100.2</u>
France	15.2	24.8	8.6	8.5	42.1
East Germany	8.4	3.6	10.9	24.8	37.7
Italy	13.2	8.8	0.4	0.5	0.8
United Kingdom	1.6	3.6	0.7	0.2	0.7
Czechoslovakia	3.3	3.0	4.1	5.3	15.4
Other	0	0	0	0	3.5

* Official exchange rates: 1971 - 1 ruble = \$1.11;
1972 - 1 ruble = \$1.21;
1973 - 1 ruble = \$1.35;
1974 - 1 ruble = \$1.32;
1975 - 1 ruble = \$1.38.

** Includes blowout preventors; drill bits, pumping units, drill pipe joints, spare parts, etc.

SOURCE: Vneshnyaya Torgovlya SSSR v 1975, 1973, 1971 g., (USSR Foreign Trade in 1975, 1973, 1971), Moscow.

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