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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL
DEVELOPMENT AND INTERNATIONAL ECONOMIC
CO-OPERATION

ECONOMIC AND SOCIAL COUNCIL
Second regular session of 1988
Agenda item 2
GENERAL DISCUSSION ON
INTERNATIONAL ECONOMIC AND
SOCIAL POLICY, INCLUDING
REGIONAL AND SECTORAL
DEVELOPMENTS

Letter dated 12 July 1988 from the Head of the Delegation of the
Union of Soviet Socialist Republics to the Economic and Social
Council at its second regular session of 1988 addressed to the
Secretary-General

I should be extremely grateful if you would arrange for the attached document, concerning the economic co-operation of the Union of Soviet Socialist Republics with the developing countries, to be circulated as an official document of the General Assembly, under items 12 and 82 of the preliminary list, and of the Economic and Social Council at its second regular session of 1988, under agenda item 2.

(Signed) E. OBMINSKY
Head of the delegation of the Union of
Soviet Socialist Republics to the
Economic and Social Council at its
second regular session of 1988

* A/43/50.

ANNEX

Economic co-operation of the Union of Soviet Socialist Republics
with the developing countries

1. In pursuit of its policy of strengthening peace and co-operation between peoples, the Soviet Union is consistently following a course aimed at the development of equitable economic relations with developing countries. Accordingly, Soviet economic assistance is based on the principles of respect for sovereignty and non-interference in the internal affairs of the countries which have obtained their freedom.
2. In 1987, the total volume of Soviet economic aid to developing countries was 11.7 billion roubles, which is equivalent to 1.4 per cent of the gross national product of the USSR for that year. Aid amounting to 1.5 billion roubles was granted to the least developed countries.
3. The Soviet Union currently has intergovernmental agreements on economic co-operation with 73 developing countries. Under these agreements, Soviet assistance is provided for the completion in the developing countries of 3,664 projects of national economic importance, of which 2,337 are already operational, including 146 which started up in 1987.
4. In view of the needs of the countries which have obtained their freedom, the Soviet Union devotes special attention to the concessional character of economic assistance granted to such countries. Soviet long-term State economic loans are granted to the overwhelming majority of developing countries at low annual interest rates.
5. The grant element, which is a consolidated indicator of the concessionality of credit assistance, accounted in 1987 for almost 40 per cent of Soviet credit.
6. In view of the difficult foreign exchange and financial situation facing many developing countries, the Soviet Union has often allowed them to postpone payments due on Soviet State credit used by them. In 1986-1987 alone, such postponements were granted to 12 developing countries.
7. Because of the deterioration in the foreign exchange and financial situation of the overwhelming majority of developing countries, the Soviet Union is actively helping them to improve their solvency, to create favourable conditions for ensuring the timely repayment of loans and to expand their opportunities for exports to the USSR. For these purposes co-operation through countertrade has become very important.
8. In addition to loans on concessionary terms and non-refundable aid, the Soviet Union grants preferences as regards payment for technical assistance by Soviet specialists working in developing countries; preferences in assistance in the training of national personnel from those countries; preferences in the transfer of sophisticated types of Soviet equipment and technology, as well as in the sphere of foreign trade.

9. As a rule, Soviet assistance is directed at key sectors of the developing countries' economies and is closely linked to national plans for the development of industry, agriculture and other branches of the economy and to the solution of social problems.

10. The emphasis on production is clearly reflected in the sectoral structure of the economic co-operation of the USSR with the developing countries. Almost 80 per cent of all co-operation concerns production-oriented projects. At the same time, in response to the requests of the Governments of developing countries, co-operation is concentrated basically in the State sector, whose expansion enhances the ability of the State to effect social and economic transformations and to pursue an independent policy in the sphere of world economic ties.

11. Assistance in the sphere of energy production occupies a leading place in the economic ties of the USSR with the developing countries, accounting for over a quarter of total Soviet aid to these countries. Commitments have been made to assist developing countries in the completion of over 300 energy projects, of which 200 have already been put into operation. In 1987, over 60 billion kWh of electricity were generated.

12. Considerable assistance in the development of energy has been given by the USSR to Egypt, Syria, Iraq, India, Iran, Algeria, Pakistan, Turkey, Bangladesh, the People's Democratic Republic of Yemen, Morocco, Tunisia, Ethiopia, Nigeria and Afghanistan.

13. The USSR is successfully developing the fuel base of the newly liberated countries. In India, 36 per cent of total oil output is produced at projects developed through Soviet-Indian co-operation.

14. The oilfields brought into operation with the support of the USSR in Iraq account for 20 per cent of that country's oil production capacity.

15. The oilfields installed in Syria with Soviet assistance produced about 9 million tons in 1987, or 78 per cent of all oil produced in that country, and the resulting export earnings were a major source of foreign exchange revenue.

16. The Soviet Union provides extensive assistance to developing countries in the development of the ferrous metals industry. Commitments have been made for the construction of about 40 projects in this sector, of which 29 are already in operation.

17. Major metallurgical plants have been built in Iran, Algeria, Egypt and Turkey, and the metallurgical concerns installed in Nigeria and Pakistan supply practically all those countries' requirements for coke, cast iron and steel. In Turkey, the metallurgical plant at Iskenderun supplies a third of that country's steel and rolled metal requirements, and half of the cast iron requirements. The metallurgical plant in Sri Lanka supplies almost all that country's requirement of fine gauge rolled metal.

18. In 1987, the metallurgical plants operating a full production cycle which were built with Soviet assistance smelted almost 6 million tons of cast iron and 10.4 million tons of steel, and produced about 7 million tons of rolled steel, thus accounting for about 40 per cent of total cast iron production and almost 30 per cent of steel production, in the developing countries of Africa and Asia.

19. The Soviet Union provides considerable support to developing countries in the development of the non-ferrous metals industry. The construction of more than 50 enterprises in this sector is planned, and 22 of them are already in operation. They include major aluminium plants in India, Turkey, Egypt and the Democratic People's Republic of Korea. In 1987, these plants produced 337,000 tons of aluminium, or about 30 per cent of total production in the developing States of Asia and Africa. A mercury plant in Algeria, a major bauxite extraction plant in Guinea, a plant for the production of lead concentrate in the Congo and a tin mine in Viet Nam have also been built. Construction is under way of a gold mine in Mali, and also of other non-ferrous metals extraction projects in a number of countries.

20. A number of oil refineries have been built with the assistance of the USSR in developing countries, including India, Egypt, Turkey, Ethiopia and the Democratic People's Republic of Korea, with a total capacity of 19.8 million tons.

21. The USSR actively assists developing countries in developing their own engineering industries. Over the years of co-operation, about 170 engineering and metal-processing plants have been built in developing countries.

22. Drawing on the wealth of experience accumulated by the Soviet geological school, in the course of providing assistance, Soviet experts are conducting, large-scale geological studies and prospecting work in the territory of many developing countries.

23. Soviet organizations are conducting geological surveys in 30 developing countries, and more than 2,000 Soviet geology experts are working there.

24. Almost a tenth of the Soviet Union's total economic assistance to developing countries is devoted to building new and renovating existing infrastructural facilities - railways and motor roads, bridges, airfields and ports.

25. About 5.3 thousand kilometres of railways have already been put into operation in Iraq, Syria, Mongolia and Guinea, and railways have been renovated in Viet Nam, the Democratic People's Republic of Korea and Iran. The construction of railways is under way or planned in Algeria, Laos and Cuba. To operate the railways that have been built, a number of countries have been provided with diesel locomotives, carriages and goods wagons and other equipment from the Soviet Union.

26. About 2.3 thousand kilometres of motor roads have also been built (in Viet Nam, Afghanistan, the Yemen Arab Republic and Nepal), and roads are being built and renovated in Madagascar, Laos and Kampuchea.

27. A considerable number of communications projects have been installed in developing countries with the co-operation of the USSR. They include powerful medium- and short-wave radio broadcasting stations in Egypt, Viet Nam, the Democratic People's Republic of Korea, Iraq, India, Pakistan, Bangladesh and Madagascar, and a tropospheric communications link between the USSR and India. Space communications ground stations of the "Intersputnik" system have been constructed in a number of developing countries of Asia and Africa.
28. In view of the particular urgency of the food problem in developing countries, the Soviet Union provides assistance in strengthening their food base and building irrigation projects, and establishes major State and co-operative crop and livestock farms. In all, more than 1,340 agricultural projects have been or are being undertaken in developing countries with the assistance of the USSR.
29. The Soviet Union provides substantial assistance to agricultural development in the African countries. Co-operation in this field in recent years has been structured in the light of Africa's Priority Programme for Economic Recovery 1986-1990, adopted in July 1985 at the OAU Conference of Heads of State and Government, and of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990.
30. The USSR is providing agricultural development assistance to 20 African countries, under more than 100 projects. A further increase is planned in the scale of co-operation in agriculture and the solution of the food problem, especially in the sub-Saharan African countries. The relative share of co-operation in agro-industry will rise over the next few years to 20 per cent of the total volume of assistance to the countries of this region, as against 6-7 per cent at the end of the 1970s. The main emphasis is on the construction of facilities which will ensure a substantial growth of agricultural output, storage and processing of produce and the development of stock breeding and mechanization. The construction of irrigation systems and other water-management works remains a traditional component of assistance.
31. The Soviet Union has not remained apart from the adoption of urgent measures to overcome the emergency situation in the field of food and natural disasters; it is providing a number of African countries (Ethiopia, Mozambique, Madagascar, Burkina Faso, Algeria and others) with assistance which includes the free supply of food, building materials, medicines and vehicles.
32. In 1987-1988, as part of its contribution to the Africa Fund, the Soviet Union is sending up to 800 experts in various fields, on a non-reimbursable basis, to work in the front-line States of Africa. They include doctors and teachers, as well as experts in the maintenance and operation of roads, bridges and port installations and power stations.
33. Training of national personnel occupies an important place in the USSR's economic assistance to developing countries. This assistance is large scale and comprehensive in nature. Over the period of co-operation, about 2.1 million experts and skilled workers have been trained under the various types of schemes. Wide and effective use is made of on-the-job instruction of local personnel by

Soviet experts during the construction and operation of projects. More than 1 million peoples have already been trained by this means.

34. About 140,000 experts from developing countries have received training in higher and secondary educational institutions in the USSR.

35. The institutions of higher education, technical institutes, colleges, schools, teaching centres and industrial technology schools built in developing countries with the assistance of the USSR are of great importance for training national scientific and technical personnel. Construction of 520 such facilities is planned, and 387 of them are already in operation.

36. The educational activities, seminars and study tours which take place in the USSR under United Nations auspices occupy an important place in the overall system for training national personnel. In 1987, 42 group study programmes were conducted, attended by 975 holders of United Nations fellowships.

37. The Soviet Union provides developing countries with considerable assistance in the field of health care. At present, more than 1.5 thousand Soviet doctors and nurses are providing medical care for the population in developing countries and transmitting their wealth of experience to local experts.

38. Although this material makes no claim to provide an exhaustive analysis, and does not cover all forms of the USSR's socio-economic assistance to developing countries, it does give a broad overview of the Soviet Union's economic co-operation with this group of States.
