

# CONSEIL DE L'ATLANTIQUE NORD NORTH ATLANTIC COUNCIL

N A T O U N C L A S S I F I E D

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WORKING PAPER  
AC/127-WP/504

## ECONOMIC COMMITTEE

### NATO COUNTRIES' IMPORTS OF OIL FROM THE COMMUNIST COUNTRIES(1) IN 1975

#### Note by the Economic Directorate

This paper, like those before it(2), has been prepared on the basis of the statistics published by the OECD Oil Committee(3) and compiled by the International Staff Statistical Service. These are, in fact, the only sufficiently complete and uniform figures to enable valid time and space comparisons to be made for all the member countries of the Alliance.

2. Table II shows that the volume of oil imported (product and product equivalents)(4) by member countries of the Alliance from Communist countries in 1975 rose from the 1974 figure of 25.3 million tons to 30.8 million tons (an increase of 22%). This is in contrast with the previous year when imports from Communist countries went down by 13%. It is also at variance with the trend in total oil purchases by member countries of the Alliance since 1975, which have registered a drop of 10%(5). Oil sales by the Communist countries have consequently not been affected by the drop in Western demand probably because of their relatively small volume(6) (which makes them of little importance in the supply pattern of most Allied countries) and also because oil purchases give some member countries a chance to reduce their trade surplus vis-à-vis the Soviet Union.

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- (1) In this paper, the term "Communist countries" covers the Soviet Union, Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Romania and the GDR.
- (2) The previous study, on NATO countries' imports of oil from the Communist countries in 1974, was issued on 6th July, 1976 as C-M(76)44.
- (3) These statistics were only issued in December 1976.
- (4) "Product equivalents" have been obtained by converting crude and semi-refined oil into petroleum products by means of a fictitious reduction figure of 7%.
- (5) Excluding Greece for which no 1974 figures are available.
- (6) In 1975 member countries of the Alliance purchased in all 900.9 million tons of product and product equivalents.

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3. The 1975 increase in sales by the Communist countries was accounted for mainly by the expansion of crude and semi-refined product deliveries of which rose from 8.0 million tons in 1974 to 11.6 million tons (+45%, see Table III). At the same time, the rise in Allied imports of petroleum products (from 17.7 million tons in 1974 to 19.9 million tons) was small (+12%). This trend also contrasts sharply with that of the previous years during which the relative share of petroleum products in overall transactions showed a clear rise(1).

4. Among the Communist countries the Soviet Union is still the main supplier with a 24% rise in its sales, which amounted to 25.5 million tons or 81% of all deliveries (see Table III). Romania's sales (2.6 million tons), on the other hand, marked time while the other East European Communist countries increased theirs by 27% (3.4 million tons) thanks mainly to the rise in East German sales to the Federal Republic of Germany. It will be seen from Table II that the latter remained the best customer in the Alliance of the Communist countries with purchases of 10.4 million tons; but the increase over 1974 (+12%) was easily exceeded by the United Kingdom (1.4 million tons or + 156%) or French (3.2 million tons or + 117%) imports. Another interesting point is that Portugal, which previously hardly dealt at all with the East, purchased 610 thousand tons in 1975.

5. It will be seen from Table I that in 1975 the comparative share of oil from the Communist countries in overall Allied imports was low; 3.4% for NATO as a whole and 5.0% for the European members of the Alliance. It must be remembered that Soviet and East European oil accounts for a major part (78%) of Iceland's supplies (under special trade agreements between the two countries) and is still important (approximately 10%) to Denmark, Greece and Portugal. It should be noted, too, that after having gone down continuously between 1969 and 1974, the comparative proportion of oil from the Communist countries in overall Alliance purchases rose again in 1975. But it is still slightly lower than it was in the early '60s.

6. Soviet earnings from oil exports to NATO countries totalled \$2.5 milliard in 1975 or 48% of the value of all that country's sales to the members of the Alliance(2)(3). This high

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- (1) After jumping from 44% in 1971 to 70% in 1974, the share of by-products in overall oil sales by the Communist countries to the member countries of the Alliance totalled 63% in 1975.
- (2) Source: Soviet Foreign Trade Statistical Yearbook; the figures given in roubles have been converted into United States dollars using the official exchange rates published in the United Nations Monthly Bulletin of Statistics (1 rouble = \$1.34).
- (3) In 1975, total Soviet oil sales were 130.3 million tons, 73.3 million tons of which went to other Communist countries, 52.6 million tons to non-Communist countries and 4.4 million tons to Yugoslavia (Source: Soviet Economy in a new perspective, Joint Economic Congress of the United States). It should be pointed out that the volume of Soviet oil deliveries to the NATO countries given in the Soviet Foreign Trade Statistical Yearbook (30.1 million tons) is slightly higher than the OECD figure of 25.5 million tons. In the same year the Soviet Union also imported small quantities of oil (7.5 million tons) mainly from Iraq.

proportion is well up on that for previous years (it was 31% in 1973 and 39% in 1974). There was also an increasing concentration on liquid mineral fuels in the pattern of Soviet sales to the Allied countries, which went hand-in-hand with a growing dependence of the Soviet economy on this type of export to obtain the convertible currency necessary for its Western purchases.

7. According to Soviet statistics, the unit value (expressed FOB-Russian frontier) of Soviet oil exports to member countries of the Alliance was \$82 a ton in 1975 compared with \$86 a ton the previous year(1). In all probability, this slight drop reflects the 1975 increase in the proportion of Soviet crude sales, the average price of which is lower than that of petroleum products. As pointed out in the Economic Committee's last report (C-M(76)44), the Soviet Union makes no distinction in its country-by-country trade statistics between crude oil and by-products. Consequently, the figures given above are not exactly comparable with the OPEC countries' posted prices, for instance. In any event, it is probable that in 1975 the Russians continued to align their prices on world oil prices which remained roughly stable.

8. The Soviet Union supplied natural gas to two members of the Alliance: Italy and the Federal Republic of Germany. In the case of Germany deliveries totalled 2.3 milliard cu.m (compared with 0.8 milliard in 1974)(2). No OECD figures are available in respect of Germany for 1975(3) but according to the Soviet Foreign Trade Statistical Yearbook, Soviet sales amounted to 3.1 milliard cu.m compared with 2.2 milliard the year before. The relative share of Soviet gas in total purchases of this product by Italy and Germany was 26% and 11% respectively as against 18% and 10% in 1974. However, to appreciate the actual degree of dependence of these two countries on Soviet supplies it is necessary to take account of their own production and to compare the volume of their Soviet purchases with their available resources(4). On this basis the degree of dependence in 1975 was 10% for Italy and 7% for Germany.

9. Insufficient data are at present available to forecast likely Soviet oil sales to members of the Alliance in 1976. The partial figures available for the first months of the year are not easy to extrapolate.

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- (1) Which makes about \$11.7 and \$12.3 a barrel respectively.  
(2) Source: OECD Oil Statistics.  
These two figures tally with those given in the Soviet Foreign Trade Statistical Yearbook.  
(3) The OECD Oil Statistics give no country-by-country breakdown of German natural gas imports, only the total purchases.  
(4) Available resources means domestic production plus total imports.

NOTES TO TABLES I, II AND III

- (a) For the purposes of this document, the term "Communist countries" covers the USSR, Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Romania, the GDR and East Berlin.
- (b) Crude and semi-refined oil has been converted into "product equivalents" by reducing by 7%.
- (c) Including bunkering abroad.
- (d) Domestic consumption and bunkers. From 1975 (included) the statistics take account of aircraft refuelling as well as bunkering.
- (1) In the case of the Federal Republic of Germany, the term "oil from Communist countries" also covers deliveries as part of intra-German trade.
- (2) Greece: no data for 1974 are contained in the OECD statistics; in addition:
- Table I: the percentages for 1970 and 1973 are International Staff estimates.
  - Tables II and III: Columns (1) and (1) and (8) respectively: statistics provided by the Greek Delegation.
- (3) Turkey:
- Table I: the percentages for 1968 and 1969 are International Staff estimates (AC/127-D/388).
- (4) Table I: Columns (1) and (12): the data for Canada and the United States are not available for 1960, 1961 and 1962. Consequently the average percentage for NATO countries as a whole (total NATO) applies only to 1963, 1964 and 1965.
- (5) Tables I, II and III: excluding Greek imports.
- (6) Tables I and II: excluding Greek consumption.

neg.: negligible

n.a.: not available.

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TABLE I

## DEGREE OF NATO COUNTRY DEPENDENCE ON OIL FROM THE COMMUNIST COUNTRIES (a)

## PRODUCTS AND PRODUCT EQUIVALENTS (b)

## AVERAGE PERCENTAGE BETWEEN 1960 AND 1965 AND ANNUAL PERCENTAGE BETWEEN 1966 AND 1975

| NATO countries  | Percentage of imports from Communist countries in relation to overall imports (c) |      |      |      |      |      |      |      |      |      | Percentage of imports from Communist countries in relation to overall consumption (d) |      |      |      |      |      |      |      |      |      |      |      |      |     |
|-----------------|---|------|------|------|------|------|------|------|------|------|---|------|------|------|------|------|------|------|------|------|------|------|------|-----|
|                 | Average % 1960-65 (4)   | (1)  | (2)  | (3)  | (4)  | (5)  | (6)  | (7)  | (8)  | (9)  | (10)  | (11) | (12) | (13) | (14) | (15) | (16) | (17) | (18) | (19) | (20) | (21) | (22) |     |
| Belgium         | 2.3   | 1.7  | 2.5  | 4.3  | 4.3  | 1.1  | 3.1  | 4.4  | 3.0  | 4.2  | 3.4   | 5.3  | 3.2  | 2.3  | 3.2  | 6.1  | 1.6  | 4.3  | 6.2  | 4.3  | 6.3  | 6.3  | 5.1  | 8.0 |
| Denmark         | 4.3   | 2.6  | 2.9  | 5.8  | 5.0  | 4.3  | 4.1  | 4.1  | 6.5  | 5.6  | 6.2   | 9.7  | 4.7  | 3.0  | 3.4  | 6.3  | 5.5  | 4.9  | 4.6  | 7.3  | 6.5  | 7.9  | 11.4 |     |
| France          | 3.4   | 5.2  | 4.8  | 4.6  | 3.7  | 2.8  | 4.0  | 4.0  | 3.1  | 3.5  | 1.2   | 3.0  | 4.1  | 6.6  | 6.1  | 5.4  | 4.3  | 3.3  | 4.6  | 3.5  | 4.0  | 1.3  | 3.2  |     |
| F.R. Germany(1) | 8.4   | 7.1  | 7.0  | 6.6  | 5.8  | 6.6  | 5.8  | 5.8  | 6.1  | 5.4  | 6.9   | 8.4  | 8.3  | 7.0  | 7.1  | 6.8  | 5.9  | 6.9  | 6.0  | 6.2  | 5.6  | 7.5  | 8.6  |     |
| Greece(2)       | 33.4  | 25.8 | 21.3 | 17.3 | 19.0 | 15.2 | 14.0 | 10.7 | 5.3  | n.a. | 9.5   | 31.7 | 31.7 | 26.7 | 22.3 | 17.7 | 19.8 | 15.6 | 13.7 | 11.9 | 8.5  | n.a. | 13.9 |     |
| Iceland         | 90.8  | 93.3 | 81.7 | 78.7 | 74.1 | 70.8 | 73.0 | 72.3 | 72.3 | 74.4 | 78.5  | 92.0 | 92.0 | 96.8 | 80.6 | 86.1 | 75.0 | 73.2 | 71.5 | 72.1 | 72.3 | 83.1 | 78.5 |     |
| Italy           | 14.3  | 10.5 | 12.5 | 13.1 | 9.8  | 8.7  | 7.7  | 7.6  | 6.7  | 5.4  | 5.6   | 20.3 | 20.3 | 17.9 | 20.4 | 18.1 | 13.0 | 11.3 | 10.0 | 9.3  | 8.4  | 6.6  | 5.9  |     |
| Luxembourg      | -   | -    | -    | -    | -    | -    | n.a. | -    | -    | -    | -   | -    | -    | -    | -    | -    | -    | -    | n.a. | -    | -    | -    | -    | -   |
| Netherlands     | neg   | neg  | 0.1  | 0.1  | neg  | 0.8  | 1.2  | 1.8  | 1.8  | 1.6  | 3.2   | 4.0  | neg  | neg  | 0.2  | 0.1  | neg  | 1.6  | 2.5  | 3.5  | 3.4  | 7.2  | 7.7  |     |
| Norway          | 6.5   | 5.7  | 7.4  | 5.3  | 5.6  | 4.6  | 6.3  | 3.6  | 3.6  | 3.9  | 3.4   | 3.5  | 7.8  | 6.9  | 9.1  | 6.6  | 6.5  | 5.9  | 7.4  | 4.5  | 5.2  | 4.5  | 3.7  |     |
| Portugal        | 1.7   | -    | -    | -    | -    | -    | -    | -    | -    | 0.3  | 0.0   | 9.6  | 1.9  | -    | -    | -    | -    | -    | -    | -    | 0.3  | 0.0  | 9.6  |     |
| Turkey(3)       | 0.7   | 2.8  | 6.4  | 6.0  | 8.6  | 5.3  | 1.3  | -    | -    | 0.9  | 0.2   | -    | 0.7  | 2.0  | 4.3  | 3.1  | 4.4  | 3.3  | 0.8  | -    | 0.7  | 0.2  | -    |     |
| United Kingdom  | 0.2   | neg  | neg  | neg  | neg  | neg  | neg  | 0.1  | 0.2  | 0.3  | 0.5   | 1.4  | 0.3  | neg  | neg  | neg  | neg  | neg  | 0.2  | 0.2  | 0.4  | 0.6  | 1.6  |     |
| Sub-total I     | 5.4   | 5.0  | 5.4  | 5.5  | 4.3  | 4.2  | 4.2  | 4.0  | 3.8  | 3.5  | 5.0   | 6.7  | 6.7  | 6.2  | 6.7  | 6.6  | 5.2  | 5.1  | 5.1  | 4.8  | 4.7  | 4.4  | 5.7  |     |
| Canada          | -   | -    | -    | -    | 0.1  | -    | -    | -    | -    | 0.1  | 0.1   | -    | -    | -    | -    | -    | neg  | -    | -    | -    | -    | -    | 0.1  | -   |
| United States   | -   | -    | neg  | neg  | 0.2  | 0.3  | 0.1  | 0.4  | 0.4  | 0.6  | 0.5   | 0.6  | -    | -    | neg  | neg  | neg  | neg  | neg  | 0.1  | 0.2  | 0.2  | 0.2  |     |
| Sub-total II    | -   | -    | neg  | neg  | 0.2  | 0.3  | 0.1  | 0.4  | 0.5  | 0.5  | 0.5   | 0.5  | -    | -    | neg  | neg  | neg  | neg  | neg  | 0.1  | 0.2  | 0.2  | 0.2  |     |
| TOTAL - NATO    | 3.6   | 3.6  | 3.6  | 4.0  | 3.2  | 3.2  | 3.1  | 3.0  | 2.7  | 2.5  | 3.4   | 1.9  | 2.0  | 2.0  | 2.2  | 2.4  | 2.0  | 2.0  | 2.0  | 2.0  | 2.0  | 1.7  | 2.4  |     |

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## NATO UNCLASSIFIED

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TABLE II  
NATO COUNTRY IMPORTS OF OIL FROM COMMUNIST COUNTRIES(a)  
TOTAL IMPORTS AND TOTAL CONSUMPTION  
PRODUCTS AND PRODUCT EQUIVALENTS(b) - 1974 AND 1975

(thousands of metric tons)

| NATO countries  | Imports from Communist countries(c) |          | Total imports(c)<br>(including Communist countries) |           | Total consumption(d) |             |
|-----------------|-------------------------------------|----------|---|-----------|----------------------|-------------|
|                 | 1974                                | 1975     | 1974  | 1975      | 1974                 | 1975        |
| (0)             | (1)                                 | (2)      | (3)   | (4)       | (5)                  | (6)         |
| Belgium         | 1,278.9                             | 1,911.9  | 37,517.8  | 35,987.6  | 24,970.0             | 23,930.0    |
| Denmark         | 1,204.0                             | 1,768.5  | 19,386.6  | 18,207.0  | 15,178.0             | 15,581.0    |
| France          | 1,482.2                             | 3,213.6  | 127,655.0   | 106,566.3 | 110,789.0            | 100,662.0   |
| F.R. Germany(1) | 9,255.7                             | 10,356.2 | 134,142.9   | 122,628.5 | 123,215.0            | 120,634.0   |
| Greece(2)       | 530.2                               | 1,229.6  | n.a.  | 12,894.5  | n.a.                 | 8,863.0     |
| Iceland         | 468.0                               | 443.0    | 629.0   | 564.0     | 563.0                | 564.0       |
| Italy           | 6,388.1                             | 5,535.4  | 117,844.2   | 98,124.9  | 97,521.0             | 93,228.0    |
| Luxembourg      | -                                   | -        | 1,562.0   | 1,343.0   | 1,501.0              | 1,311.0     |
| Netherlands     | 2,238.7                             | 2,416.8  | 70,697.1  | 60,812.3  | 30,946.0             | 31,321.0    |
| Norway          | 338.0                               | 287.5    | 10,037.9  | 8,280.7   | 7,525.0              | 7,686.0     |
| Portugal        | -                                   | 610.1    | 6,605.9   | 6,378.9   | 5,835.0              | 6,339.0     |
| Turkey          | 21.4                                | -        | 9,689.7   | 9,515.7   | 11,942.0             | 12,374.0    |
| United Kingdom  | 550.9                               | 1,412.3  | 119,689.8   | 97,431.4  | 97,611.0             | 86,358.0    |
| Sub-total I     | 23,756.1                            | 29,184.9 | 655,457.9(5)  | 578,734.8 | 527,596.0(6)         | 508,851.0   |
| Canada          | 52.0                                | -        | 42,334.7  | 40,588.6  | 82,860.0             | 80,932.0    |
| United States   | 1,451.4                             | 1,574.0  | 287,698.6   | 281,605.6 | 814,562.0            | 707,345.0   |
| Sub-total II    | 1,503.4                             | 1,574.0  | 330,033.3   | 322,194.2 | 897,422.0            | 788,277.0   |
| TOTAL - NATO    | 25,259.5                            | 30,758.9 | 985,491.2(5)  | 900,929.0 | 1,425,018.0(6)       | 1,297,128.0 |

See notes on page 4

TABLE III

NATO COUNTRY IMPORTS OF OIL FROM COMMUNIST COUNTRIES(a)  
1974 AND 1975 (THOUSANDS OF METRIC TONS)

| NATO countries  | Crude and Semi-refined oil |          |          |         |                                 |   |           | Petroleum Products  |          |          |         |                                 |   |           |
|-----------------|----------------------------|----------|----------|---------|---------------------------------|---|-----------|---------------------|----------|----------|---------|---------------------------------|---|-----------|
|                 | Communist countries        |          |          |         |                                 | World-wide<br>(including<br>Communist<br>countries) |           | Communist countries |          |          |         |                                 | World-wide<br>(including<br>Communist<br>countries) |           |
|                 | Total                      |          | USSR     | Romania | Other<br>Communist<br>countries |   |           | Total               |          | USSR     | Romania | Other<br>Communist<br>countries |   |           |
|                 | 1974                       | 1975     | 1975     | 1975    | 1975                            | 1974  | 1975      | 1974                | 1975     | 1975     | 1975    | 1975                            | 1974  | 1975      |
| (0)             | (1)                        | (2)      | (3)      | (4)     | (5)                             | (6)   | (7)       | (8)                 | (9)      | (10)     | (11)    | (12)                            | (13)  | (14)      |
| Belgium         | 102.0                      | 316.0    | 316.0    | -       | -                               | 30,574.0  | 29,463.0  | 1,184.0             | 1,618.0  | 1,452.0  | 47.0    | 119.0                           | 9,084.0   | 8,587.0   |
| Denmark         | -                          | 436.0    | 436.0    | -       | -                               | 9,363.0   | 7,915.0   | 1,204.0             | 1,363.0  | 819.0    | 105.0   | 439.0                           | 10,679.0  | 10,846.0  |
| France          | 226.0                      | 1,191.0  | 1,191.0  | -       | -                               | 129,814.0   | 106,081.0 | 1,272.0             | 2,106.0  | 1,730.0  | 320.0   | 56.0                            | 6,928.0   | 7,911.0   |
| F.R. Germany(1) | 3,062.0                    | 3,383.0  | 3,245.0  | 138.0   | -                               | 104,458.0   | 91,850.0  | 6,408.0             | 7,210.0  | 4,329.0  | 535.0   | 2,346.0                         | 36,997.0  | 37,208.0  |
| Greece(2)       | 349.0                      | 849.0    | 849.0    | -       | -                               | n.a.  | 12,922.0  | 181.2               | 440.0    | 74.0     | 146.0   | 220.0                           | n.a.  | 877.0     |
| Iceland         | -                          | -        | -        | -       | -                               | -   | -         | 468.0               | 443.0    | 443.0    | -       | -                               | 629.0   | 564.0     |
| Italy           | 4,041.0                    | 3,366.0  | 3,350.0  | -       | 16.0                            | 120,312.0   | 95,859.0  | 2,630.0             | 2,405.0  | 1,830.0  | 411.0   | 164.0                           | 5,954.0   | 8,976.0   |
| Luxembourg      | -                          | -        | -        | -       | -                               | -   | -         | -                   | -        | -        | -       | -                               | 1,562.0   | 1,343.0   |
| Netherlands     | 19.0                       | 489.0    | 472.0    | 17.0    | -                               | 64,585.0  | 55,225.0  | 2,221.0             | 1,962.0  | 1,767.0  | 128.0   | 67.0                            | 10,633.0  | 9,453.0   |
| Norway          | -                          | 79.0     | 79.0     | -       | -                               | 6,730.0   | 5,904.0   | 338.0               | 214.0    | 169.0    | 20.0    | 25.0                            | 3,779.0   | 2,790.0   |
| Portugal        | -                          | 656.0    | 656.0    | -       | -                               | 5,758.0   | 5,573.0   | -                   | -        | -        | -       | -                               | 1,251.0   | 1,196.0   |
| Turkey          | 23.0                       | -        | -        | -       | -                               | 9,962.0   | 9,633.0   | -                   | -        | -        | -       | -                               | 425.0   | 557.0     |
| United Kingdom  | 158.0                      | 882.0    | 882.0    | -       | -                               | 112,817.0   | 91,366.0  | 404.0               | 592.0    | 592.0    | -       | -                               | 14,770.0  | 12,461.0  |
| Sub-total I     | 7,980.0                    | 11,647.0 | 11,476.0 | 155.0   | 16.0                            | 594,373.0<br>(5)                                    | 511,791.0 | 16,310.2            | 18,353.0 | 13,205.0 | 1,712.0 | 3,436.0                         | 102,691.0<br>(5)                                    | 102,769.0 |
| Canada          | -                          | -        | -        | -       | -                               | 40,461.0  | 41,163.0  | 52.0                | -        | -        | -       | -                               | 4,706.0   | 2,307.0   |
| United States   | 123.0                      | -        | -        | -       | -                               | 177,020.0   | 203,706.0 | 1,337.0             | 1,574.0  | 861.0    | 713.0   | -                               | 123,070.0   | 92,159.0  |
| Sub-total II    | 123.0                      | -        | -        | -       | -                               | 217,481.0   | 244,869.0 | 1,389.0             | 1,574.0  | 861.0    | 713.0   | -                               | 127,776.0   | 94,466.0  |
| TOTAL - NATO    | 8,103.0                    | 11,647.0 | 11,476.0 | 155.0   | 16.0                            | 811,854.0<br>(5)                                    | 756,660.0 | 17,699.2            | 19,927.0 | 14,066.0 | 2,425.0 | 3,436.0                         | 230,467.0<br>(5)                                    | 197,235.0 |

See notes on page 4