

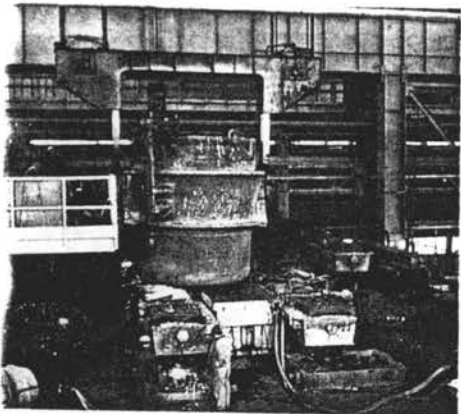
# THE OUTLOOK FOR ECONOMIC AND TECHNOLOGICAL CO-OPERATION BETWEEN THE SOVIET UNION AND ARAB COUNTRIES

Economic and technological cooperation between the USSR and Arab countries constitute a vital component in relations between the Soviet Union and developing nations. The Arab countries claim a considerable share of obligations undertaken by Soviet organisations, giving aid to developing nations for establishing projects in different economic spheres.

The beginning of economic and technological cooperation between the USSR and the Arab world dates back to the mid-1950s. We are maintaining this cooperation, although a different scale and with varying degree, with 15 Arab countries.

Soviet organisations have helped Arab countries in the Near East and North Africa in more than 540 projects for power genera-

*The metallurgical plant for continuous steel casting in Kheluan (Egypt)*



tion, ferrous and nonferrous metallurgy and in the oil and gas industry. They have also worked in agroindustries and water development, in the building materials industry, and communications and transport — including construction of railways and machine-building plants. The Soviet Union is active in training classes, research centres and other educational spheres. All these projects have been either commissioned, or are now under construction and will be commissioned soon. The total volume of current Soviet investment is reaching the equivalent of \$10 billion.

In view of the large-scale and long-term nature of cooperation between the Soviet Union and Arab countries, it is based, as a rule, on intergovernmental agreements. We have signed such agreements with 12 Arab countries. Their terms formulate the principal conditions of cooperation as being equal and beneficial to all parties concerned.

One of the major trends in Soviet-Arab cooperation was the construction of projects and other works in the developing

mineral resources — phosphorous-bearing minerals and other non-metalliferous minerals. The cooperation boils down not only to organisational aspects of prospecting and production of minerals. Bearing in mind the actual situation in each specific case and all the very numerous technical and economic factors, we are concentrating efforts on establishing a national complex of productive and processing industries.

The biggest projects in this area, which are either under construction or are to be built soon include developing oil fields in West Kurna and expanding oil production in the North Rumaila fields in Iraq; all-round development of oil fields in Said-Zurab and Al Hol in Syria; developing oil fields discovered by Soviet experts in Alger-

*The Euphrates hydro-electric plant (Syria)*



ia and Libya; building the phosphate mill in Syria which will be able to export up to 7 million tons annually; all-round development of phosphate rock deposits in Mescala in Morocco and two phosphate rock deposits in Tunisia; prospecting and subsequently developing gold-bearing deposits at Medden in the People's Democratic Republic of Yemen (PDRY).

## MAJOR PROJECTS

The list of major cooperation projects in the processing industry, whose development depends on availability of mineral resources, includes some in ferrous and nonferrous metallurgy. These are in Algeria, namely the existing metallurgical works (1.8 million tons of steel a year), the lead-and-zinc concentration factory (processing 2,000 tons of ore a day) and the mercury plant (900 tons of the metal annually). In Egypt there is a steel plant (1.5 million tons a year), a coke by-product plant (280,000 tons of metallurgical coke annually) and an aluminium smelter (166,000 tons of aluminium per year).

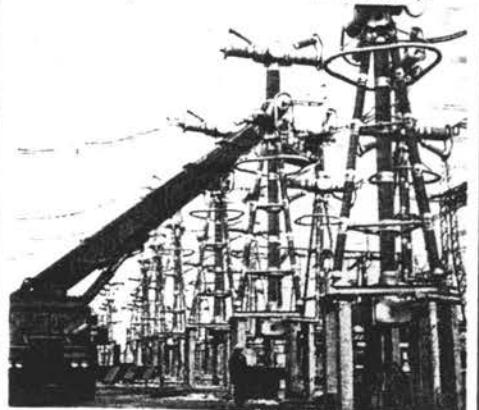
These projects gave impetus in developing the national machine building industries in both Algeria and Egypt.

Today, Soviet specialists are helping operate these projects. And to make them more effective, they are solving a whole host of problems involved in reconstruction and modernisation.

## INDUSTRIAL COOPERATION

Another major theme in Soviet-Arab cooperation is the power industry. In the years to come, Soviet specialists are expected to participate in construction, in the Arab countries, of thermal and hydraulic power stations, with a total projected capacity of 5 billion kW, and 22 kV transmission line, with a total length of more than 1,000

*The thermal power station in Nassyria (Iraq)*



kilometres. Presently under construction or soon to be constructed are the Jijel thermal power station in Algeria (630 MW); the Tishrin thermal power station (400 MW) and the Tishrin hydroelectric project (500 MW), both in Syria. In Iraq there is the Youssifiah thermal power station (1,200 MW), the Al Shemal thermal power station (800 MW) and the Baghdadi Hydroelectric Project (400 MW). Large thermal and hydraulic power stations will be built in Libya and Morocco. The Aden thermal power station, with a desalination plant is slated for the PDRY (125 MW). Transmission lines will be mostly installed in Syria and Libya.

Soviet-Arab cooperation has grown on a large scale in land reclamation and agriculture. According to the current work load in hand, Soviet organisations will participate in 160 projects of this kind. In fact, a hundred of them have already been commissioned. Traditionally, large-scale participation in this sector is maintained with Syria, Iraq and the PDRY. In Syria, irrigation and land reclamation work has covered

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85,000 hectares (in Meskene and West Meskene); the current hydrological and hydrogeological surveys have covered some 80,000 square kilometres of the Syrian desert. This work will help produce a plan for water development in the region. In Iraq, Soviet organisations are helping to build the middle section of the main Tigris-Euphrates drainage reservoir. In the PDRY work is going ahead on an irrigation network covering 15,000 hectares and on land reclamation for agriculture. Fifty bore-holes will be drilled to provide water. Soviet organisations are designing and doing actual building work on irrigation dykes and other water development projects in Syria, Tunisia and in some of the other Arab countries.

### IMPORTANT TREND

An important trend in Soviet-Arab cooperation is construction of transport and communication projects. In the near future, Soviet organisations will take part in building some 800 kilometres of railway, in developing new harbour facilities to raise their throughput capacity to 4 million tons of cargo a year, in building 400 kilometres and 700 kilometres of oil and gas lines, accordingly, and in establishing a network of space communication stations which will belong to the INTERSPUTNIK system.

Soviet-Arab cooperation will also continue in a traditional area, such as manpower training. Today, the Soviet Union is helping Arab countries to run more than a hundred educational establishments. In the years to come, Soviet organisations are planning to set up four new higher educational institutions and some 20 vocational schools. Besides this, Arab engineers and workers will be received in the USSR for tuition and will then get on the job training at the "cooperation projects," while they are in the course of construction or operation.

Bearing in mind the economic and financial difficulties the Arab countries are facing at this phase of their development, the Soviet Union adheres to a differential approach in applying favourable terms of payment for credits granted. This is even more the case since credits have increased in the past few years. To restrict the growth of debt by the Arab countries, in terms of Soviet credits, we are planning to resort to a much greater degree to the practice of compensation agreements. According to the terms of such agreements, the Soviet Union will be partly paid by the products which will be manufactured at the cooperation projects. These will add to the traditional commodities of Arab exports. In this way, we are also creating favourable conditions for the Arab countries by giving access to our market for the products of their national industries. We are also expanding other forms of partnership, like industrial cooperation, joint projects and joint stock-holding companies.