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Germany: German—Iranian oil talks

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COMMENTS

Germany

German—Iranian Oil Talks

Initial talks have been opened in Gelsenkirchen at the end of April between representatives of Veba Chemie AG and the Persian state oil corporation, the National Iranian Oil Company (NIOC), to examine, to what extent the Iranian Government's suggestion of close cooperation can be acted upon as far as possible through a real partnership extending "from the oil well to the filling station". Both sides stress that many problems will have to be cleared up before a start can be made on cooperation even on the lowest common denominator. But that negotiations already begin a few weeks after the Federal Cancellor's visit to Teheran indicates that both countries have a great interest in achieving cooperation. The Persians are not only counting on the Federal Republic as a partner in the oil business but expect increased cooperation to flow from this partnership in all economic fields.

Seen from the Federal Republic, cooperation with Iran would also have great advantages. It would alleviate the German dependence on crude oil from the main suppliers — Libya, Saudi Arabia and Algeria. German crude oil requirements have always been met, even during the numerous Middle East crises, thanks to close collaboration with the international oil groups. But the political tension in this region and the growing desire of the Arab countries for expropriation of the foreign oil companies and determination of crude oil tonnages to be produced make it advisable for the Federal Republic to look around for new sources of supply. One should not look solely to Persia: many new oil finds have been made in South America, and the North Sea lies outside the own front door. Germans have so far paid surprisingly little attention to their part of the North Sea shelf. The success which rewarded the British, Norwegians, Danes and Dutch in their drilling operations in this region should prompt more intensive efforts on the part of the Federal Republic. crm.

Bulgaria

Cooperation with Germany

The Todorov government wants to make an all-out effort in Bulgaria to achieve the breakthrough into the industrial age. With this aim in view, the industrial production is to receive special encouragement so that by the end of the Five-Year-Plan in 1975 industrial exports can be raised

to 90 p.c. of the Bulgarian export total. Whereas up to the present 80 p.c. of Bulgaria's industrial exports have been sent to COMECON countries, the aim now is to stop the regressive trend of trade with the West.

In recent months Sofia has made special efforts to activate its contacts with West German business circles. Trade with the Federal Republic, which declined from DM 236.8 mn in 1970 to DM 226.3 mn in 1971, is to be enlarged with the help of cooperation contracts. In this way it is hoped to raise the technical level of Bulgaria's industrial products; for Bulgaria's state enterprises will have to improve the quality of their products if the efforts to extend their western business are to succeed. In the past the differences in quality have been a great handicap for Bulgarian goods trying to compete in western markets.

It is not yet clear how a positive influence on quality can be brought to bear from the German view in the projected negotiations on industrial cooperation. The instances of German-Bulgarian cooperation currently in progress are mostly in the nature of international sub-contracting, with the German partners supplying the know-how and part of the raw materials. They are also to take care of the marketing side but exercise no influence on the quality of the products during their manufacture. To make the cooperation relations attractive for both partners, the technical conditions of production and cooperation will have to be modified. bw.

Africa

Trade Fair in Nairobi

Tribute will certainly be paid to Mr. R. Gardiner, the executive secretary of the UN Economic Commission for Africa, and the African states for organising the first Technology Transfer Fair in the continent. Developing countries have here for the first time taken the initiative and responded to the demands of the industrial countries that they should themselves take the initiative. In February 1972 they followed it up with another commendable measure: 37 African states held their first all-African trade fair in Nairobi, which attracted nearly 200,000 visitors. The event was intended to give an impetus to intra-African trade and to slacken the close links with the industrial countries in the interest of commerce between the developing countries. The Nairobi fair was conceived on the pattern of the big industrial and consumer goods fairs being held in most indus-