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CZECHOSLOVAKIA

TRADE /3300/  
Foreign-legal /3305/  
Transport /3310/

COMMUNICATIONS /0500/  
Waterways /0507/

STATISTICS TELL STORY OF STEADY DROP  
OF CZECHOSLOVAK TRADE THROUGH TRIESTE.

SOURCE TRIESTE: Chamber of Commerce.

DATE OF OBSERVATION: Current period.

EVAL. COMMENT: This interesting analysis of Czechoslovak trade activities via TRIESTE is believed to be of value to Economic Program Editor in particular.

In order to get a more detailed picture of the matter under reference, the Evaluator advises to consult the following sources: VIENNA RFE Item No. 1975/56 /"PRAGUE Weighs Respective Merits of TRIESTE and RIJEKA"/; VIENNA RFE Item No. 10812/55, dealing with negotiations between Czechoslovak and Italian representatives and concerning the future use of the TRIESTE harbor for CSR transit trade; beyond this, "Mladá fronta" of February 19 1955, referring to the agreement between CSR, Hungary and Yugoslavia about transit shipments via RIJEKA - as well as the statement by Radio BRATISLAVA of November 16 1955 /please see RFE Monitoring of that date, page 14456-S/ which dealt with the ROME Conference about the use of the TRIESTE harbor.

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For a few years now shipping to and from Czechoslovakia via TRIESTE has been steadily declining. In 1938, about 398,000 tons of goods /252,821 exported and 144,523 imported/ moved to and from Czechoslovakia through TRIESTE; in 1953 the figure was 130,000 tons /29,432 imports and 100,742 exports/; in 1954, 157,392 tons /61,016 imports and 96,376 tons exports/; in 1955 110,839 tons.

The following table indicates the volume of Czech trade through TRIESTE in 1938, 1953 and 1954:

Items	Arrivals		
	1954	1953	1938
Lumber	71,692	84,440	2,135
cement and plaster work	4,500	209	9
industrial products ceramic	3,543	2,456	2,485
paper, cardboard	3,147	1,866	15,479
eternit etc.	2,957	658	-
glassware	2,737	3,836	3,210
cotton fabrics	1,157	1,268	2,356
malt	1,079	928	5,386
machines and devices	997	553	8,409
matches	732	80	297
cast iron, iron, steel	600	1,337	30,327
potatoes	596	199	-
automobiles	327	242	1,201
shoes	319	157	4,077
linoleum etc.	262	352	-
wood work	201	252	442
chemical products	158	192	752
cotton yarn	136	159	551
wooden barrels	136	-	47
sugar	91	99	102,342
woolen cloth	83	37	579
scientific instruments	81	82	9
rubber products	75	104	163
other goods	770	1,236	72,565

96,376	100,742	252,821
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<u>Items</u>	<u>1954</u>	<u>Departures</u>	
		<u>1953</u>	<u>1938</u>
		<u>Tons</u>	
phosphates	16,364	-	-
citrus fruit	11,884	12,240	30,366
raw cotton	10,254	7,090	19,307
oil seeds	9,040	65	11,197
wine	2,855	499	1,404
legumes	2,200	950	-
dried fruits	1,873	1,696	7,341
asphalt	1,615	-	-
manganese	1,607	298	120
polished rice	1,208	5,391	10,168
oil seed cakes	388	-	769
tinned fish	361	30	162
coffee	255	236	384
citrus fruit peel	250	-	68
sand	200	-	21
citrus fruit juice	187	-	20
rawhide	183	1	2,751
jam	116	-	-
lumber	37	-	144
raw jute	-	182	8,684
cereals	-	-	25,835
tobacco	-	-	1,842
pyrites	-	-	3,862
other goods	137	754	20,078
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	61,016	29,432	144,523
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It is not precisely known where CSR imports come from or exports go to, but on the whole Czechoslovakia exports, via TRIESTE, to the Middle East, Africa, the Far East, Australia and the two Americas; and imports goods from the same places, especially from the Middle East and North Africa /phosphates, citrus fruits, cotton, oil seeds, etc./

No local authority, including the Chamber of Commerce, has any detailed statistics on the origin of goods imported into Czechoslovakia or the destination of goods exported from

Czechoslovakia via TRIESTE.

The incomplete figures relative to Czechoslovak trade through TRIESTE in 1955 /items still not specified/ are:

Imports

37,751 tons

Exports

73,088 tons

that is an overall trade movement of 110,839 tons. Compared with the years 1938, 1953 and 1954 the CSR trade through TRIESTE in 1955 hit a low-water mark, that is if we exclude the war and immediate postwar years.

This continued decline is due to political reasons and, at the same time, economic ones. For years now Czechoslovak goods have been sent to Rumanian and Bulgarian Black Sea ports, although it is a costly, time consuming route as compared with TRIESTE. This route is used for propagandistic and ideological reasons to step up traffic in the Rumanian Danube and Black Sea ports: GALATZ, BRAILA, SULINA and CONSTANTIA; and the Bulgarian ones: LOM, RUSSE, STALIN and BURGAS. As a result of KHRUSHCHEV's and BULGANIN's visit to BELGRADE in 1955, a decided orientation of Czechoslovak trade movement is noticed toward the Yugoslav port of RIJEKA, to the detriment of TRIESTE. Such a thing had not been seen since TITO broke with the Cominform. Now, Hungary seems to be following Czechoslovakia's example and is gradually channeling its trade toward RIJEKA rather than TRIESTE.

Mention should be made of a significant fact which repeatedly presents itself in the trade exchange between Czechoslovakia and Hungary on the one hand, and Albania and North Africa, on the other. This fact supports the political explanation for this trade situation. Many big cargoes of bulk chromium from Albania for Czechoslovakia and Hungary are sent via the Black Sea. The same is true for full cargoes of phosphates from North Africa. This is also true for goods shipped from Czechoslovakia and Hungary to Albania. The voyage from DURAZZO to TRIESTE takes a little over a day and the voyage from North Africa to TRIESTE takes a few days. The same can be said for the railroad journey from TRIESTE to Czechoslovakia and Hungary. On the other hand, the voyage from DURAZZO to BURGAS and from North Africa to BURGAS takes several days and the same is true for the railroad or Danube

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route from BURGAS to Hungary and Czechoslovakia. Undoubtedly the longer the trip the higher the freight charges. Every good businessman, including a State business has always tried to cut down costs. It is evident, therefore that if the shorter, less costly route is sacrificed to the longer costlier one, there must be a political or ideological reason.

With regard to economic reasons, it should be pointed out that Czechoslovakia especially uses continental ports for her foreign trade, such as HAMBURG, BREMEN, ANTWERP and ROTTERDAM, and the Polish ports of GDYNIA, GDANSK and SZCZECIN. It is a well known fact that in order to build up port traffic these ports have set very convenient freight and port charges. Besides, these ports can handle the Czechoslovak trade better than TRIESTE because, despite efforts to get more ships, this port cannot still compete with other European ports. In addition, outgoing freight charges in TRIESTE and in other Italian Adriatic ports are high because there are shipping companies which have the monopoly on certain lines and thus dictate these charges. In 1955, for example, when a shipment of 10 tons of naphthalene was sent from VENICE to Israel, the Italian exporter received a complaint for the heavy freight charge of Dollar 32,00 per ton, /goods loaded above decks./ During the same period for an identical shipment of Belgian naphthalene /loaded below decks,/ ANTWERP had offered freight charges of only Dollar 16.00 per ton. Besides, Western shipowners -- and the Dutch in particular -- have their agents in PRAGUE whose job it is to beat other competitors to the punch in getting Czechoslovak exportations to ROTTERDAM. They also handle forwarding of goods by motor from PRAGUE to ROTTERDAM. At the very moment they receive the goods on the trucks, these agents give the exporter the bills of lading. This is a great convenience for the Czechoslovak exporter because it saves time in financial operations and saves him trouble in shipping the goods.

The meeting held in ROME in 1955, upon the initiative of the Italian Government, tended to guarantee a greater development of trade through TRIESTE. The meeting was attended by representatives of Czechoslovakia, Hungary, Austria, Switzerland, Yugoslavia and West Germany. The Austrian requests were almost satisfied in full and this country is still TRIESTE's best customer. The Czechoslovaks and Hungarians are irked

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because they have not been offered the same conditions as the Austrians. New negotiations are supposedly underway between the Italian Government and Czechoslovakia and Hungary to try to smooth out the differences which arose during the meeting. In the meanwhile, however, these two countries have channeled a considerable part of their trade toward the port of RIJEKA perhaps with the purpose in mind of pushing the Italian Government into making greater concessions, among which the most sought after is the obtaining for each country a free zone in the port of TRIESTE.

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