

## COMMUNIST AREA

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### "PRAVDA" SETS FIRST PRODUCTION TARGETS FOR COLOR TV

Summary: A recent article in Pravda supplies the first definite targets for color TV output during the 9th Five Year Plan. This paper outlines the reasons for the sharp cutback in TV output during 1971, and suggests that excessive stocks are one of the main reasons for a cut in TV prices as of 1 February 1972.

On 1 February 1972, a number of consumer goods prices were reduced in the USSR, including a 24% cut in the average price of color TV sets. To publicize the reductions, most of which were for goods experiencing lower demand during 1971 (such as black-and-white TV sets, washing machines, some motorcycles, mopeds and bicycles), Pravda carried an interview with a Deputy Chairman of the State Prices Committee, A.N. Konin. (1)

He supplied the first firm targets for color TV output during the 1971-75 plan, saying that in 1971 about 60,000 sets had been made. For 1972 the target is 200,000 and for 1975 it is scheduled to be 1,500,000.

These figures cast doubt on an earlier forecast, by Sergei Lapin, the chairman of the State Committee for TV and Broadcasting, who proclaimed last year that the USSR would have 3.5 million color sets by 1975. (2)

Factories known to be producing color sets include the Simferpol TV plant (first color set made in 1971), (3) the Lvov TV plant (which made about 10,000 in 1971), (4) and the Kozhitsky factory in Leningrad, which was due to make 50,000 sets in 1971. (5)

On 1 April 1971, color TV sets had been sold in the USA to about 28,600,000 households, according to N.B.C.'s Planning Vice-President, Allen R. Cooper. Including black-and-white, the USA is estimated to have more than 90,000,000 TV sets in use at present, implying that more than 60,000,000 black-and-white models are now in American homes. In Britain, 825,000 color sets were sold in 1971, according to the Economist. (6)

In the USSR, the price cuts made on February 1 were graduated to affect black-and-white sets with small screens more sharply than those with medium or large screens. The reduction for a 59 cm screen (diagonal) is 20%, while 61 cm screens attract a 15% reduction and the large 65 cm size has been cut by 8%.

Fifty-nine cm screen models now cost about 340 rubles (down from 420 rubles). This type is the most widely bought, according to A.N. Komin, although it is in the middle of the price range, which varies from about 200 rubles to as much as 600 for non-color sets.

These reductions in the prices of black-and-white sets reflect a new situation of oversupply. The stocks carried by the retail trade are much too high. Although sales of TV sets climbed by about 11% last year, stocks grew even faster, to judge by the fact that 1971 output, at 5,800,000 sets, was only 87% of the 1970 level. Whether the new price cuts (the last round was made in July, 1970) will be enough to change the falling trend of demand at the factories is still uncertain, but it can be seen from the target for color TV output in 1972 that this is not yet on a large enough scale to alter the basic problems of the industry -- of overproduction, inferior quality and too much didactic programming.

r.r.g.

(1) 2 February 1972.

(2) Tass, 15 December 1971.

(3) Kiev Radio, 22 May 1971.

(4) Moscow Radio, 28 January 1971.

(5) Leningrad Radio, 13 August 1970.

(6) Economist, 5 February 1972.