

AP
June 13
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HUNGARY

TRADE /3300/
Foreign /3305a/

FOREIGN CURRENCY HUNT ON.

SOURCE STOCKHOLM: A Swedish businessman.

DATE OF OBSERVATION: Current period.

EVALUATION COMMENT: Hungary's lack of hard currency is generally known, and the State-run foreign trade organizations try to do everything possible in order to increase exports to Western countries.

Since Sweden is a traditionally important trade partner for Hungary and Hungary very much needs certain important Swedish export goods /ballbearings, pitprops, etc./, it is obvious that the hunt for hard currency is directed toward Sweden. The Hungarian Regime has been courting the Swedish market for years.

The name and position of BISCHITZ are confirmed, as is the reorganization of the "Technoimpex" firm. BISCHITZ's activities in STOCKHOLM are so far UNCONFIRMED here.

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As the recent Swedish import restrictions caused by the Hungarian textile dumping prices endangered the Hungarians' quest for foreign currency the Hungarians are now trying to obtain the needed foreign currency through other channels. They reacted swiftly to the Swedish Government's decision.

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The following articles have been immediately offered to Swedish buyers at dumping prices:

Outboard motors,
Industrial and agrarian pumps,
Milling machines type Vf 22,
Radial drills RF 3a to RF 5b,
Turret lathes MVE 280 M/2000,
Light lathes type 320 and E 400,
Universal milling machines, etc.

All these articles have been offered at prices which are 5 to 10 per cent lower than those on the local market, in order to overcome the existing resistance of the purchasers. Many facilities have been promised to the buyers including long-term credits of from 12 to 18 months, stocks in the free port of STOCKHOLM at the exporters' expense, stocks of spare parts, technical advice, etc. The Hungarians even promised that they would answer letters immediately and punctually.

The general opinion among the Swedish businessmen is that the Hungarians are prepared to sell at almost any price, provided they can obtain foreign currency.

In connection with this new action, one of the top directors of the BUDAPEST "Technoimpex," Mr. F. BISCHITZ, arrived in STOCKHOLM with one of his assistants on May 19. He is supposed to stay there until June 10. His arrival has been prepared with great care by the local Hungarian trade delegation. Immediately after his arrival, he went to work with great energy.

Until now some of the above-mentioned articles have been underbid directly through the trade delegation, but now BISCHITZ will try to organize a regular net of sales agents in this country. The conditions offered to Swedish firms will be very difficult to reject. It is quite possible that another action of the Swedish Government will be needed to put an end to this Communist commercial invasion carried out by means of unfair competition.

Recently the "Technoimpex" underwent a re-organization. The major part of its purely electrical products have been

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passed to the "Transelektro" /motors, switches, welding machines, transformers, etc./ Since then export to the West has become the firm's main goal.

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