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May 3  
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RUMANIA

TRADE (3300)  
Foreign Trade (3305)  
  
Oil (1706)

RUMANIAN OIL BOYCOTT OFF IN FINLAND.

SOURCE STOCKHOLM: Regular RFE HELSINKI reporter.

DATE OF OBSERVATION: April 20 1956.

EVALUATION COMMENT: None.

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The Western oil companies (Esso, Shell and Gulf) have ended their boycott on the distribution of Rumanian fuel oil. The boycott was instituted because the Finnish Government, in direct contradiction to promises made earlier, imported large quantities of Rumanian oil instead of allowing the Western oil companies in Finland to import a fair proportion of oil from Western sources - and this even after Finland had enough foreign currency to finance the Western imports without embarrassment.

Ironically enough, at the end of last year the Rumanians fell down on their deliveries to Finland and the Western companies had to help the Government out by making an emergency import of fuel oil from Western sources. The price on the world market had gone up by the time this situation arose, so the Rumanian failure cost the Finns something.

The Western companies have apparently obtained that, for this year anyway, they are getting licenses for a fair proportion of Western oil imports (somewhere around 20 per cent of Finland's total oil imports.) They have therefore decided to distribute Rumanian oil deliveries for the Finnish Government. The Finnish Government must be quite thankful as valuable storage space was being taken up with Rumanian oil that the "blackleg" companies could not handle here. The "blackleg" companies are the Russian-owned TBC company and two small Finnish companies that have throughout distributed Rumanian

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oil imports for the Finnish Government.

An Esso spokesman stressed, however, that there is still no long-term oil policy in Finland, nor any signs of one. Their agreement to distribute Rumanian oil is good for this year only. After that they will see how the situation develops. A highly complicating factor will be the completion in the first half of next year of the State-owned Neste Oil Refinery. It will produce about 50 per cent of Finland's refined oil requirements. But who will distribute the stuff? the Western oil companies will probably only handle it if a good proportion of the crude oil comes from Western sources. And if the Western companies do not - Neste will be in a fix. The Western companies own about 80 per cent of all the distribution machinery in Finland.

End.