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16 Dec  
V/1429/CZECHOSLOVAKIAHUNGARYINDUSTRY  
ChemicalTRADEForeign  
Western Countries  
Prices  
LegalCzechs And Hungarian Chemical Products  
Found Below Standard.SOURCE ISTANBUL: A Turkish textile technician and  
businessman dealing in Iron Curtain countries'  
goods.DATE OF OBSERVATION: November 1952

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Two Communist Satellite countries have started to compete with Western firms in exporting textile chemicals and dyes to Turkey. The Hungarian "Chemolimpex" and the Czech "Chemapol" state enterprises have sent their representatives to Turkey in 1951 and 1952, with offers of chemical ingredients and dyes used in the textile industry. These firms offered their goods at somewhat lower prices than demanded by Western manufacturers, mainly British, American and West German.

As a result of these offers, some Turkish businessmen and textile manufacturers placed large orders with both "Chemolimpex" and "Chemapol," and by June 1952 the ordered goods began to arrive in ISTANBUL. Within two months, a stream of complaints started reaching the Turkish representatives of the two Satellite firms stating that some of the delivered goods were below standard. Thus for instance, 18 paper bags of naphthalene delivered to a local firm by the Czech "Chemapol" state enterprise proved to be completely useless.

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Titan-dioxide exported by the Hungarian "Chemolimpex" was sold on the local market at a price 20 per cent below that demanded by the West German BASF (Badische Anilin und Soda Fabrik) and thus many buyers were tempted to place their orders with the local representative of the Hungarian enterprise. When the goods began to arrive in Turkey, it was soon found out that most of it was below standard. It is reported that the IZMIR Chamber of Commerce has asked the Turkish Ministry of Trade to lodge a protest against the "Chemolimpex" national enterprise with the Hungarian Ministry of Foreign Trade.

The ISTANBUL representative of the Czech "Chemapol" enterprise has sent a circular letter to the local buyers in which he stated that two experts from PRAGUE are expected in Turkey who will listen to complaints brought up by local buyers and industrialists. The local firm also gives the address of "Chemapol" as Panska str. 9, PRAGUE II., and advises that all further complaints be directly addressed to the central export office at the above address.

EVAL. COMMENT: Business relations between Hungary and Turkey are very close and cover a wide range of products in both ways. See for references Items Nos. 6226, 6373m 9061, 10995, 11235 and 14324/52.-

Some months ago the ISTANBUL papers brought large advertisements of the Hungarian state-run export companies. The above-mentioned "Chemolimpex" also took part in that publicity-campaign. In this connection Item No. 6694/52 expressed the opinion that before long the Turkish market would be flooded with Hungarian goods. Defective quality of subject "Chemolimpex"-goods is UNCONFIRMED. It must, however, be remembered that the Hungarian press very often complains of the "below standard" quality of Hungarian export products, which are in many instances refused by foreign customers. Above piece of news concerning Hungary should be fitted against this background. CHEMAPOL and its address is confirmed here.