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Current Support Brief

WESTERN-BUILT PLANTS IN RUMANIA  
TO BOOST EUROPEAN SATELLITE OUTPUT OF TIRES



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WESTERN-BUILT PLANTS IN RUMANIA  
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1. Contribution of New Plant

The Bucharest radio on 12 December 1962 announced that the recently commissioned Danubiana Tire Plant at Popesti-Leordeni, a suburb of Bucharest, has already produced more than 100,000 tires. This new plant, considerably larger than Rumania's only other tire plant, the formerly American-owned Victoria Tire Plant at Floresti, has an annual production capacity of about 1 million tires. 1/ The additional capacity represents a major contribution to the planned increase in production of tires in the European Satellites from about 6.8 million in 1961 to about 10.7 million in 1965 (see the table). Not mentioned in the announcement is the fact that the new plant was built with British equipment and technical assistance. This plant is a good illustration of the contribution being made by Western firms to the fulfillment of Bloc plans for the expansion and the modernization of the rubber and chemical industries.

2. Significance of Western Aid

The successful operation of the Danubiana Tire Plant will alter significantly the tire supply situation in Rumania. In 1961 the Rumanian output of motor vehicle tires, presumably all from the Victoria Tire Plant, was only 386,000. In addition Rumania imported 301,300 tires during 1961. 2/ With full production from the Danubiana Tire Plant, Rumania will have enough tires from its two plants to cover domestic needs for most types of tires and, in fact, should be able to export a significant quantity. Inasmuch as the combined capacity of the two plants is to be about 1.4 million tires, the 1965 goal for production of 1.1 million tires 3/ should not be difficult to attain.

The Danubiana Tire Plant is the result of a contract for 7.5 million pounds sterling (about US \$21 million) concluded in June 1959

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between Rumania and Rustyfa, Ltd., of the UK. During construction the British work force was reported to be 25 to 50 persons. 4/ This work force will have to remain at the plant for 6 months during initial operations to train Rumanian personnel. The tire plant is completely mechanized, and the operations of some sections are directed through electronic remote control systems. 5/

Western equipment and technical assistance also are playing a major part in Rumania's plans to become self-sufficient in production of tire cord. A plant to produce "relon" (nylon) tire cord is being built at Savinesti with West German help, 6/ and Rumania has negotiated with both West German and British companies to obtain an installation for production of rayon tire cord. 7/ Rumanian goals for production of tire cord in 1965 call for 400 metric tons (mt) of "relon" (nylon) cord 8/ and 9,000 mt of rayon tire cord (including cord web). 9/

Moreover, Western assistance has been sought to help complete the Soviet-aided synthetic rubber plant at Onesti-Borzesti. This plant is to have an annual capacity of 50,000 mt of a type of styrene-butadiene rubber produced at a low temperature. The plant, part of a larger chemical complex being financed and equipped by the USSR, was to have been completed in 1962. 10/ The plant did not go into production on schedule, however, and West German technicians were reported to be installing West German equipment there in 1962. 11/

### 3. Criticism of Excessive Dependence on Western Aid

In contrast to the wide publicity given to Soviet aid during Khrushchev's visit to Onesti-Borzesti in 1962, 12/ the Rumanian press does not mention the West German aid being received at this combine. The large-scale assistance from the West in building up the Rumanian chemical industry here and elsewhere, however, has not gone unnoticed. At a Party plenum in November 1962, Rumanian Party officials criticized the Ministry of the Petroleum and Chemical Industry for relying too heavily on Western firms for plant and equipment. 13/

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Table

European Satellites: Production of Motor Vehicle Tires  
in 1961 and Plans for 1965

<u>Country</u>	<u>Thousand Tires</u>	
	<u>1961</u>	<u>1965 Plans</u>
Albania	0	N.A.
Bulgaria	254 <u>a/</u>	450 <u>a/</u>
Czechoslovakia	1,442 <u>a/</u>	1,828 <u>b/</u>
East Germany	2,450 <u>b/</u>	3,750
Hungary	385 <u>a/</u>	625 <u>a/</u>
Poland	1,926	2,920
Rumania	386	1,100
Total	6,843	10,673

- a. Not including motorcycle tires.  
b. Truck and automobile tires only.

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Analyst: [REDACTED]

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