

Joint Venture With American Company Aims to
to Rectify Soviet Paper Shortage

As reported in the weekly publication "Kommersant" (Merchant), the American firm ABB USSR Business Development Inc., has begun on the implementation of its programme to rectify the paper shortage on the Soviet market.

To this end ABB has made available to Soviet pulp and paper combines credits totalling 22.5 million dollars.

So as to obtain a precise understanding of the combined actions of ABB and the joint venture "PRIS", with whose assistance the programme will be carried out, a group of American specialists has arrived in Moscow.

According to their estimates, when implementing the measures foreseen in the programme, the Soviet side must invest between 20 and 40 million dollars in technology for the pulp and paper combines. Settlement of accounts with the American firm for delivery and installation of plant will be accomplished from funds derived from the sale of output over and above the plan.

In all, ABB's programme foresees the installation at pulp and paper combines of 20 to 30 automated controlled systems for technological processes. This will make it possible to increase productivity by 5 to 20 percent and raise the quality to world standards. It is intended that financing will be achieved through the sale on world markets of part of the production that is over and above the plan. After two or three years the combines will have repaid their indebtedness to ABB and "PRIS" and all of the above-plan output will belong to them.

The combines only received the opportunity to engage in transactions of this kind after an agreement was signed on August 28 between ABB and the USSR Ministry of the Timber Industry. Previously, the monopolistic right to import and export paper was vested the All-Union Association "Exportles". By prior arrangement, the Burda Moden Company will participate in the sale of the above-plan production and receive a certain percentage of the profit.