

World Trade by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Financing	Comment
NEW DEALS				
\$280 mn.	Iraq from Brazil	Contract for 128 km. of Iraq's Expressway 1, running to Kuwaiti and Jordanian border, won by Mendes Jr., Brazil's second largest construction company. Mendes won Iraqi gratitude by continuing construction of railroads and hotels in northern Iraq during entire war.	Banco do Brasil opened in Baghdad, seeking investments in Brazil.	Brazil's Finance Min. going to Iraq in hope of big chunk of reconstruction deals.
	Italy from U.S.	State of Kentucky has signed agreement with 3 Italian state-run companies for joint ventures in coal, agriculture, and high technology. Italians want 700,000 tpy steam coal now, rising to 1 mn. tpy by 1990.		Italy studying inland water transport for Kentucky coal.
\$177 mn.	Malaysia from U.K.	Britain is providing Malaysia with \$132 mn. worth of gov.-guaranteed private bank credits which are mixed with \$45 mn. interest-free official aid over the next three years. Credit line is good on any purchases of British heavy equipment, including armaments.	Bank credits at 7.75% on sterling; gov. loans at no interest, payable over 25 yrs.	Reduces effective interest levels to give British competitive edge.
\$22 mn. capital	Mexico from U.S.	International Harvester will form joint venture with Banamex bank to build bulldozers, loaders, and hydraulic excavators in Mexico.		
UPDATE				
	Iran/Iraq from France	French gov. split on whether to block delivery of 3 missile-carrying frigates to Iran, until Iran compensated French companies and FACE state export insurance agency for \$10 bn. in costs from broken contracts.	Ships had been 90% paid for.	France delivering Mirages to Iraq, which meets all obligations to suppliers.
CANCELLED DEALS				
\$1 bn.	China from Japan	Ten Japanese companies with contracts for \$1 bn. of plant equipment for two huge petrochemical complexes in Nanjin and Shengli, Shandong Province, have been informed project has been abandoned. C. Itoh and Toyo Engineering have already built much of machinery. Deal was part of \$20 bn. 8-year oil-and-coal-for-technology deal that was signed in 1978.	Big cuts in Chinese oil exports to Japan has forced cuts in equipment imports.	Japanese Trade Rep. S. Okita in Peking seeking compensation for broken deals.
\$20 mn.	Holland from U.S.A.	Air Products has canceled a polymer emulsion plant due to costly delays caused by Dutch environmentalists. Plans were complete and machinery ordered.		