

World Trade by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
NEW DEALS			
\$3 bn. (estimate)	Japan from Brazil	Nippon Steel and 6 other Japanese steelmakers signed contract to buy 10 mn. tpy of iron ore from Brazil from 1985 to 2000. <i>Folha de São Paulo</i> cites Tokyo sources expecting Germany and other Europeans soon to sign similar deal, which means preconstruction placement of 2/3 of the high-quality ore from mammoth Carajas pit.	<i>Folha</i> says largest Japanese iron purchase ever. Sales will aid financing \$2.6 bn. iron ore part of Carajas.
	Japan from Indonesia	Tohoku and Tokyo electric have agreed to buy 3.3 mn. tpy of liquefied natural gas from Pertamina during 20 years, starting 1984. Price expected to start at \$5.49 per thousand cubic ft.	Japanese had agreed to finance \$1 bn. LNG plant expansion in Sumatra.
\$1.08 bn. (approx.)	Iraq from West German companies	Hermes, German govt. export credit entity, has resumed coverage for Iraq following war-time suspension. Many new deals coming through.	
	Including:		
\$425 mn.	Dyckerhoff and Widmann	120 km. superhighway near Basra, including bridges.	ordered
approx. \$425 mn.	Strabag-led consortium	Road near Jordanian border.	not confirmed
\$235 mn.	Klockner subsidiary	2 mn. tpy cement plant.	ordered
\$125 mn.	Argentina from Japan	Argentina and a Japanese consortium have reached agreement on the sticking point in a package which could bring Japan \$500 mn. in orders for steel plant, railroad modernization and Yaciretá Dam turbines. Conflict over \$50 mn. Japanese financing and turnkey conditions for hot rolling mill for Somisa state steel company was so sharp <i>Japan Economic Journal</i> reported talks were broken. <i>El Economista</i> of Argentina estimates investment in new Somisa lamination plant at \$1.1 bn.	Somisa promised to buy \$125 mn. steel equipment from the Mitsubishi consortium, which finally agreed to provide plant on turnkey basis.
\$58 mn.	Peru from World Bank	World Bank is aiding Peru's \$128 mn. project to build new airport in Tingo María and upgrade 3 others in central jungle region which has Peru's most rapid growth. Region is main producer of Peru's leading export: raw cocaine. World Bank says region currently has "inadequate transport links with the rest of the country."	Loan for 17 years 4 yrs. grace, at 9.6%.
\$333 mn.	Libya from West Germany/Austria	Libya has ordered 2 direct reduction iron ore processing plants from Korf Engineering, a joint venture of Korf and Voest. Plants use Korf's Midrex process, Libyan gas, to turn out 550,000 tpy sponge iron each. Part of Misuratu steel works, where Korf also building electro-steel furnace.	Libya signed letter of intent with Marubeni-Kawasaki consortium for plants in 1979, but let it lapse.
CANCELLED DEALS			
\$1.2-\$1.4 bn.	Soviet Union from Japan	Soviets notified Japanese consortium that 2 paper mills under negotiation since 1973 were not included in 1981-85 Five-Year Plan.	Japanese would have bartered technology for pulp.