

World Trade by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
NEW DEALS			
\$3 bn. plus	Japan/ U.S.S.R.	Japan and the Soviet Union have agreed that Japan will buy 3 mn. tpy of LNG and oil from fields off Sakhalin Island over 20 years, beginning 1988. Commercial production plans to be drawn up by end of 1982 will probably cost \$3 bn., with most of the work going to Japanese firms and financing coming from Japan's Ex-Im Bank.	Japan also pursuing on-shore LNG potential in Siberia; original U.S. partners have been forced out by Afghan embargo.
\$1 bn.	Iraq from U.K.	Economic and technology pact signed which could bring \$1 bn. per year orders to Britain. Follows bad political relations since 1975.	<i>Financial Times</i> says Iraq wants Rapier anti-aircraft missiles and other British arms, since Soviets cut arms supply during Iraq conflict with Iran.
\$175 mn.	Colombia from France	Creusot-Loire will build pulp and paper mill near Cali, Colombia, for joint venture (Papelcol) in which it is major partner. Will use sugar cane bagasse.	FF 1 bn. buyer's credit from French banks led by Banque de L'Union Européenne, of same group as Creusot-Loire.
\$133 mn.	India from U.K./France	India's M and M is building new diesel engine plant to make 25,000 motors per year, using Peugeot technology and British equipment. It will also raise capacity of existing Maharashtra state plant from 13,000 to 25,000 tractor and jeep diesels per year.	Financing from World Bank's IFC and variety of Indian and British sources.
UPDATE			
\$850 mn.	Libya from Japan/South Korea	Kobe Steel has subcontracted to South Korea's Samsung work on Misurata steel complex. Samsung will perform \$130 mn. work on basic structures and on mechanical installations of 9 of complex's 24 plants.	Kobe-Libya deal reported <i>EIR</i> , May 12.
CANCELLED DEALS			
\$656 mn.	Jamaica from U.S.A./ Norway/ World Bank	Plans to double Alcoa's 550,000 tpy alumina refinery (as reported <i>EIR</i> June 16) have fallen through. Norsk Hydro, Elkem and Ardal Og Sundal Verk of Norway, which were to provide half the cost, have dropped out due to negative projections of world aluminum market growth and Norwegian political questions.	Cancellation on top of cancellation (also reported June 16) of Arab-Soviet refinery plans is severe blow for Prime Minister Seaga. He won election on promise to bring investments and jobs. Aluminum is only modern industry on populous island.
	France and 8 other oil pur- chasers from Mexico	Pemex announced 9 clients have suspended or reduced Mexican crude oil purchases by 550,000 bpd, as of July 2. Clients are Exxon, Ashland, Charter, and Clark of U.S.A., plus France, Sweden, India, Yugoslavia, and Philippines on state-state basis. Mexico has lost 40% of oil exports.	Mexican Industry Ministry responded July 4 by ruling all French companies ineligible for Mexican development project contracts, including explicitly nuclear, auto, and subway.