

World Trade by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
NEW DEALS			
\$2 bn.	Indonesia from U.S.A./Japan	Exxon has won contract for Indonesia's North Sumatra oleofins complex, which it will build as a joint venture with the Indonesian govt. Exxon will construct a 350,000 tpy ethylene plant, costing about \$1 bn. It will supervise the other half of the complex, downstream plants making chemicals which will serve as basis of Indonesian plastics industry. <i>Far Eastern Economic Review</i> expects Japanese will build most of those plants. Exxon beat out Lummis and CDF Chimie for contracts.	Arun gas fields will provide feedstock for biggest of oil and gas complexes Indonesia is now building.
\$500 mn.	Holland from U.S.A.	Exxon has chosen Rotterdam as the site for another attempt to build a commercially viable coal gasification plant. This pilot plant, gasifying 90 tons of Illinois coal per day, was designed by Exxon to prepare for plants that would turn 20,000 tons into 250 mn. cubic feet of gas per day. Exxon uses a potassium catalyst to yield methane at 1 ton per day plant in Baytown, Texas.	Exxon officials at Baytown calculate replacing 15 mn. bpd of oil with synfuels in 2010 would require \$3 trillion investment.
\$1.1 bn.	Italy from U.S.S.R. U.S.S.R. from Italy	Soviets have awarded contract for 19 of 41 compressor stations on the Siberia-Western European pipeline to a subsidiary of the Italian state's ENI. Contract was linked to September Italian decision to participate in project, despite expected difficulties in financing its \$2.5-\$3 bn. share.	Debt-strapped Italy is only promising \$500 mn. financing.
\$1 bn.	Saudi Arabia from U.S.A., Japan, France	State-run Petromin contracted 250,000 bpd refinery at Al-Jubail. Refinery includes hydro-cracking and benzene-making facilities. Awarded on full turnkey basis to Ralph M. Parsons, Chiyoda Chemical Engineering, and Technip of France, who will apparently divide it evenly. Saudis will pay in cash on piecemeal basis.	Saudis building refiner in joint venture with Royal Dutch Shell production will be exported.
\$213,000	Thailand from Holland	Estel Technical Services won a \$213,000 general feasibility study for a 1.6 mn. tpy integrated steel mill which will cost \$1.6 bn.	Will use imported iron ore and coke.
\$85 mn.	Canada from West Germany	Volkswagen is building a plant in Ontario to make front axles and engine mounts for VW's assembly plants in Pennsylvania and Michigan. VW chose Canadian site to win Canadian govt. promises that it will exempt VW imports from the U.S. and Germany from tariffs.	Ontario is giving \$10 mn. development aid.
	U.S.A. from Norway/Japan	Nissan Motor's new Nashville pickup truck plant will be furnished with 210 industrial robots for welding and painting. 36 robots are from Norway's Trafflfa Nils Underhaug. Hitachi (Japan) won order for 15 press machines for the 15,000 truck/yr. plant.	
\$55 mn.	Colombia from U.S.A.	Contracts for modernizing 300-year-old Canal del Dique between port of Cartagena and Magdalena River awarded to Layne Dredging Co. (U.S.A.) and Colombia's Sanz y Cía. Cobe Ltda.	114 km. canal is vital for port's non-narcotic cargoes.
UPDATE			
\$14 bn.	Nigeria from U.S.A./others	Nigeria's ambitious liquefied natural gas project is in trouble, following withdrawal of Phillips Petroleum (U.S.) as technical leader and 7.5% owner. Plan was to use Phillips process to liquefy 2 bn. cu. ft./day. Shell, BP, Agip, and Elf may take over Phillips role in 60% Nigerian govt. project.	Questions about financing amidst current world slump and high interest rates.