

World Trade by Mark Sonnenblick

| Cost | Principals | Project/Nature of Deal | Comment |
|------------------|-------------------------------|--|---|
| NEW DEALS | | | |
| \$1.8 bn. | Singapore from U.S.A./ Europe | Singapore Airlines signed contracts for 8 Boeing 747s and 6 Airbus A300s. It has options on 2 more 747s and 2 Airbus A310s. | Biggest private plane order in 1981, and one of biggest ever from Third World. |
| \$227 mn. | Mexico from Japan/W. Germany | Sicartsa steel plant ordered continuous casting equipment from consortium of Hitachi, Mitsui & Co., and Mannesmann Demag. Sicartsa \$2.3 bn. expansion will boost Mexico's capacity from present 1.3 mn. tpy to 3.3 mn. tpy. Sicartsa plant, at Las Truchas, is state-owned. | Davy (U.K.) won \$607 mn. steel plate mill contract in Nov. |
| \$311 mn. | U.S.S.R. from France | Mitterrand govt. approved Thomson-Brandt contract to supply computer and information systems to control West Siberia-Europe gas pipeline. French forced company to reduce technological level of computer to bring it within guidelines on Western exports. | U.S. entirely opposed sale, losing market for U.S. suppliers. |
| \$260 mn. | France from U.S.S.R. | Contract for Creusot-Loire to supply gas refrigeration stations for West Siberia-Europe gas pipeline signed during Dec. 15 Moscow visit of French For. Min. Jobert. | Could not reach agreement on gas prices. |
| \$40 mn. | Nigeria from France | Technip will design and build \$40 mn. brewery in Ondo state to produce 400,000 liters/yr. beer and 100,000 liters/yr. soft drinks for Pan African Breweries. Turnkey basis. | Technip's third Nigerian brewery contract in 1981. |
| | Iraq/Greece | Bilateral trade deal means more oil to Greece and more contracts to Greek engineering and construction companies in Iraq. Iraq will also invest in Greek industry. | |
| \$800 mn. | Iraq from South Korea | Hyundai Construction signed contracts for building two 2,800-unit housing projects in Samarra and Falluva. | The big change is an underground garage. |
| \$125 mn. | Saudi Arabia from South Korea | Nam Kwang Construction will rebuild Riyadh Justice Palace district by tearing down existing government buildings and building new ones of same size. | |
| UPDATE | | | |
| \$500 mn. | Brazil from Japan | Japanese MITI belatedly approved \$500 mn. financing towards \$5.4 bn. cost of developing world's largest and richest iron ore pit, Carajas. The Brazilians asked for all \$500 mn. to come under Eximbank's soft, long terms. Instead half the money will be raised by a consortium of the Japanese steel and trading companies which will soon sign for 10 mn. tpy of Carajas' initial 15 mn. tpy output from Eximbank and Japanese private banks. Most of the remainder will have to be raised by Brazil at commercial terms on the yen bond market. Furthermore, MITI reportedly conditioned Japanese participation on the project to approval by the World Bank in January and to \$600 mn. loan from EC. Brazil is financing much of the project internally, and has already advanced railroad toward Amazon site of mine which will yield 35 mn. tpy starting 1987. | Hard to explain why Japanese conditioning project on World Bank and EC approval, since latter are trying to triage world steel output and will indubitably put own limited growth conditions on Brazilian metals development. |
| | India/U.S.S.R. | Soviets have offered India capital goods and textile machinery to expand Indian textile industry in return for contracts of up to 20 yrs. guaranteeing textile supply to Soviet Union. Indian govt. is seriously studying offer. | Soviets have labor shortage. |