

Trade Review by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
NEW DEALS			
\$223 mn.	Japan from Taiwan	Eight large containerships, each capable of hauling 1,600 containers, will be built by Japan's IHI and Onomichi for Taiwan's largest shipping operator, Evergreen Marine Corp. This is the biggest single order ever given Japan's shipbuilding industry, the world's largest, and is equal to a year's construction volume for IHI and Onomichi. Financing is in yen terms.	Japan has been losing contracts to South Korea yards which give export financing in devalued dollar terms. Japan's total orders fell 10% in year ending March to 391 ships at 8.4 mn. gross tons. Export orders down 17%.
\$145 mn.	Taiwan from U.K.	Northern Engineering Industries signed letter of intent for generators for Taiwan's Yenlieo nuclear power plant. Deal is for two 1,020 MW turbines. NEI beat Westinghouse, GE, Brown Boveri, Mitsubishi, and Hitachi.	U.K. Exports Credit Guarantee Department is subsidized credit to 7.75%.
\$3 mn.	Brazil from Denmark	Brazilian Navy bought from J. Lauritzen of Denmark a 25-yr. old ship reinforced for arctic operations. The 82-meter Thala Dan will be leased by Brazil to Danish govt. for summer research around Greenland with two Brazilian officers aboard; will be delivered to Brazil in Sept. and begin Brazil's first Antarctic exploration in December, before deadline set by multinational Antarctic peace treaty.	Brazil's long negotiations for Antarctic capabilities have been hastened by South Atlantic crisis. Brazil's navy plans permanent research site in Antarctica, probably near Germans. Base needed to have future voice in Antarctic affairs.
\$800 mn.	Indonesia from France/Spain	Indonesian govt. awarded contract for 600,000 tpy steel cold rolling mill to Creusot Loire of France, Centurion and Technicas Reunidas of Spain. Mill is expansion of big Krakatau complex on West Java; will be owned by Indonesian govt., the overseas Chinese Liem group and Ciputra construction company. Turnkey project.	Financing includes \$270 mn. from France and \$100 mn. from Spain at 7.75% for 10 years; \$200 mn. bank credit and \$240 mn. equity capital.
\$42 mn.	Australia from U.S.A./West Germany	GE and AEG will each build 4 gas turbine generators for New South Wales Electricity Commission. GE's local subsidiary will install them.	Mitsui & Co. of Japan is running the deal.
\$150 mn.	Tunisia from Japan	Tunisia has bought a 340 MW electric power plant from Mitsubishi.	Runs on either heavy oil or gas.
UPDATE			
\$2.5 bn.	Israel from U.S.A.	Reagan administration asking for Congressional approval for sale of 75 more F-16 fighter jets to Israel to complement 75 received under 1978 deal. Plane is made by General Dynamics, which is contracting \$300 mn. in aviation equipment and parts from Israeli producers as part of 3-yr. buy-back arrangement linked to F-16 contract.	
\$663 mn.	U.S.A. from Canada	Budd of Michigan is expected to file injunction against New York's MTA which gave contract for 825 subway cars to Bombardier of Canada. Budd price was \$33,000 per car less than Bombardier with a U.S. domestic content of 80% vs. 40% for Bombardier.	Bombardier total cost, financed by 9.7% Canadian govt. export credits, was lower, while Budd stuck with Volcker rates.