

## Trade Review by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
<b>NEW DEALS</b>			
	India from U.S.A.	Hindustan Development Corp. of New Delhi has contracted a subsidiary of Bethlehem Steel to help it make railroad products using manganese steel for railroad grade crossings and other purposes. Bethlehem Intl. Engineering helping modernize archaic Indian railroad equipment plants and training Indian technicians.	India is spending \$1 bn. on railroad electrification and other improvements. India is open to deals with U.S. companies with know-how and suppliers' credits.
	Japan from Mexico	Japan is almost doubling its take of Mexican crude oil from 60,000 bpd in May to 110,000 bpd in June, tentatively rising to 150,000 bpd in July. June prices will remain at \$32.50 for Isthmus light and \$25 for Maya heavy crude. In June, 70% of the crude will be the desirable light grade, but in July, Japan will take a 50-50 mix of light and heavy.	Japan's increased purchases at a time when Mexican economy is under sharp international attack will be appreciated.
\$1.7 bn.	New Zealand from U.S.A.	New Zealand Synthetic Fuels Corp. is building plant to turn local offshore natural gas into methane gas and then into synthetic gasoline using Mobil process. Will yield 11,400 bpd. Venture is owned 75% by govt. and 25% Mobil. Financed almost entirely by Citibank-led consortium.	Synfuels are risky, but compared to Khomeini...
\$112 mn.	Iran/New Zealand	Oil for lamb barter deal.	
	Middle East from U.S.A.	U.S. Egg Marketers of New Jersey, a consortium of 25 egg producers, will be selling 36 mn. dozen eggs during coming year to Iran and other Mideast countries. If U.S. supply runs short, will go egg hunting in France and Brazil. Mitsui and Seaboard Foods (a N.J. subsidiary of Japan's leading chick hatcher) are finding the markets.	
<b>UPDATE</b>			
\$82 mn.	Bulgaria from Japan/Western Europe	Bulgaria is demanding novel conditions from the 3 Japanese and 3 Western European companies competing to sell it an oil rig with all accessory equipment and operation training. The winner must: 1) give Bulgarian shipyards technological aid in building 7 oil rig supply boats; 2) sell internationally 5 of those boats and use proceeds as payment for the rig.	As world trade plummets and hard currency becomes scarcer, this type of counter-purchase deal will become more common—and more elaborated.
	Brazil/Saudi Arabia/South Africa	Visit of Saudi oil minister Yamani to Brazil yielded agreement that Brazil would shift 50,000 of the 170,000 bpd crude it imports from Saudi Arabia from the "seven sisters'" Aramco to the Saudi state oil company, Petromin, which Brazil considers a more secure supplier in event of Mideast troubles. Brazil pressed Yamani hard for engineering contracts and buying Brazilian products.	Yamani expressed interest in joint investment, specifically in Amazon gold mining with Brazilian firm and company with gold mining know-how, possibly from South Africa. South African gold mining interests are quietly entrenched in Brazil through links with former Finance Minister Simonsen.