

World Trade by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
NEW DEALS			
\$1.6 bn.	Turkey from West Germany	Turkey negotiating for two 400 MW nuclear plants with KWU.	Problem is financing.
\$1.4 bn.	Papau New Guinea from Australia/U.S.A./West Germany	Huge open-pit Ok Tedi mine for gold and copper being dug in the middle of New Guinea in an area with 400 inches of rain/yr. Joint venture of Broken Hill, Amoco Minerals, Metallgesellschaft, and Papua New Guinea state. Pit has top layer of 34 mn. tons of ore with 2.86 grams gold/t. Copper ore is low-grade, but owners hope copper prices will improve by time copper production begun in 1986. Till then, they are going for the gold.	Financed by Citibank-led consortium at ¼% over LIBOR.
	Iran/U.S.S.R.	Soviets have signed deals for Soviet building 800 megawatt gas-powered electric plant at Ahvez and finishing 1,260 MW plant at Isfahan. Other agreements expected on a second dam on their border for irrigation and electricity to be shared by the partners.	Iranian energy minister said goods transshipped through U.S.S.R. to Iran rose from 1 mn. tons in 1978 to 3.4 mn. tons in 1981, despite war with Iraq.
\$26 mn.	Mexico from U.S.A.	Dravo of Pittsburgh will design 3 mn. tpy iron ore pelletizing plant for \$2 bn. Las Truchas steel complex. Dravo will design, engineer, and manage procurement and construction.	Turnkey basis.
\$88 mn.	Nigeria from Brazil	Structura, S.A., of Brasilia won construction supervising contracts for 7 new cities in Niger River delta, each of which will house 50,000 people at cost of \$40 mn./city. Encol S.A., also Brazilian, will build 2 of these prefab cities. Two others are already under construction by Finnish and Israeli contractors.	Brazil has over \$1 bn./yr. service income from Nigeria.
CANCELED DEALS			
\$14 bn.	Nigeria from U.K. et al.	Consortium of oil companies in Nigeria's 1.6 mn. cu. ft./yr. liquefied natural gas project has liquidated itself following withdrawal of Phillips Petroleum and BP. Other companies are pressuring Nigerian govt. for more concessions in return for reviving project. World Bank-recommended consultants will specify terms of possible new deal.	Companies blaming Western Siberian gas pipeline, but market hurt more by industrial recession and slipping oil prices.
\$2 bn.	Chile from U.S.A.	Exxon has shelved development of La Disputada copper pit, "pending further studies." However, Exxon Minerals manager in Chile admitted that engineering studies were no longer being conducted at the site. Exxon paid \$112 mn. for the operating mine on site in 1978; the projected \$2 bn. expansion investment was registered and widely reported as proving investor confidence in Pinochet govt. Of \$4.4 bn. foreign investment authorized between 1973 coup and Sept. 1981, only \$1.2 bn. was actually expended, according to govt.	Chilean rules facilitate speculative holdings by companies seeking to lock up mineral reserves.