

## Trade Review by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
<b>NEW DEALS</b>			
	Jamaica/ U.S.A./U.K./ West Ger- many/Japan	The bankrupt Jamaican govt. has signed a countertrade agreement with General Motors. Under the deal—the first of several sought by Jamaica with major suppliers—Jamaica will pay for motor vehicles and heavy equipment made by General Motors in Europe and Japan with bauxite exports to U.S. metals companies and even the U.S. govt. Modalities of the deal are still confidential, but it is presumed that payments for much of the 6 mn. tpy of bauxite Jamaica ships to the U.S. will thus go directly into payments for imports needed to keep the beleaguered economy going. Jamaica's prime minister Seaga told parliament the deal "has the dual effect of saving foreign exchange as well as expanding the marketing of bauxite." Jamaica already supplies 45% of the bauxite to the depressed U.S. aluminum market, and it is not clear at whose expense or how GM would gain it a larger market share.	Seaga, anointed "the great white hope" of President Reagan's "free-enterprise model" for the Caribbean, has failed to bring in the foreign investment he used as his campaign slogan. The "free marketeer" is naturally turning to barter. Would GM like to market late-model Jamaican chickens?
\$9 mn.	Grenada/ U.S.S.R.	Grenada Prime Minister Maurice Bishop signed pact in Moscow for export of cocoa over next 5 years "at stable prices, which is of great value for our country." Bishop noted how collapsed cocoa prices had prevented revival of Grenadan economy. The Soviets are donating 1 mn. rubles of food, clothing, and other items to Grenada. Also providing \$7.7 mn 10-yr. credit at 3% on rubles for Grenadan shopping in U.S.S.R. First \$1.4 mn purchase is for 500 tons steel and 400 tons flour.	Low commodity prices create political opportunities in Third World for those who seek them.
	Cuba from U.S.S.R.	Cuba has agreed to Soviet plans to build 850 MW nuclear power station, Cuba's first. Construction will take 5 years.	Cuba going nuclear while most other developing countries forced to cancel plans.
\$250 mn.	Japan from U.S.A.	Japan Air Lines ordered three long-range Boeing 747s. Two will be Dash 200B passenger planes and one a freighter; all will have Pratt & Whitney engines. Japan Air has now bought 45 of the 747s. Order, while Japan Air is having losses and cutting employment, is a life-saver for Boeing, which has been hit by cancellations.	World trade is a 2-way street. In aircraft and other areas, Japanese buy American.
\$5 mn.	Iran from Italy	Breton di Castello di Godego of Rome is providing marble-finishing machinery for a new plant to be built outside of Teheran.	Monuments becoming a "growth industry" under Khomeini.
\$959 mn.	Iraq from South Korea	Iraqi govt. awarded contract to build 305-mile electrified railroad for high-speed trains north of Baghdad to Hundai and Nam Kwang Construction.	Iraq has continued infrastructure development, despite war and oil price decline.
\$106 mn.	India from U.K.	India will use consultants from the National Coal Board of England to develop Amolori coal mine, which will feed a 1,000 MW "super"-thermal electric station in Uttar Pradesh.	British govt. will finance \$53 mn. for equipment for the mine and guarantee other British costs. Lazard Bros. financing costs in India.