

Trade Review by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Financing	Comment
NEW DEALS				
\$150 mn.	Mexico from Japan	Port at Altamira Industrial Complex will be built by Mitsui and Co., Mitsui Real Estate Construction Co. and Mexico's Dein S.A. Port is core and first step of new city to be built around projected 5 mn. tons per year steel complex on Mexico's Gulf coast near Tampico.		Contract signed Nov. 5 with Mexican Transport Ministry.
\$500 mn.	Indonesia from Japan	Japan is now ready to give Indonesia credits for expansion of Cilacap and Balikpapan oil refineries, visiting Japanese trade minister Rokosuke Tanaka announced in Jakarta.	Japan's Exim Bank	
\$600 mn.	Malaysia from Japan	Japanese govt. officials are in Malaysia this week negotiating Japanese financing of \$600 mn. urea fertilizer plant to be built in Sarawak by Malaysian state oil company, Petronas. This is one of 5 large industrial projects whose financing was committed by Japanese P.M. Takeo Fukuda to Association of Southeast Asian Nations in 1978.	Probably Japan's Exim Bank	
\$13 mn.	France from U.S.	Joint venture to assemble in France drill pipe fitted with tool joint extensions. Hughes Tool Co. of Houston will associate with Vallourec so that Hughes "will gain added market penetration in French-speaking countries and in the Eastern hemisphere," according to Hughes.		
\$80 mn.	Brazil from U.S.	Locomotives for Brazil's electrified railroad expansion to be supplied by General Electric of the U.S. and GE of Brazil in equal shares. The entire operation is being financed by a consortium led by Chase Manhattan.	\$40 mn. for 4 yrs. at 1.125% over LIBOR; \$40 mn. for 8 years at 1.5 percent over LIBOR.	GE's and Westinghouse's Brazilian locomotive production at 24 percent capacity.
UPDATE				
\$1.78 bn.	Brazil from Japan	Entire financing package listed as "hoped for" last week was signed. This includes aluminum complex, first stage of which entirely financed by Japan with \$264 mn. capital, and \$616 mn. credits. Surprise addition was \$500 mn. bank loan for Petrobras. Most loans are partly tied to purchases in Japan, and partly open financing. Negotiations also advancing on Japanese purchase of 13 mn. tons per year iron ore, which makes \$2.8 bn. Carajas project viable.	Petrobras loan from 8 banks at "normal market terms," probably 1.5% over LIBOR for 8-10 years; Petrobras credit from Eximbank is purchaser's credit.	Japan will buy all aluminum at 94.88% of market price. Project negotiated since 1976.