

World Trade by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
NEW DEALS			
\$15-25 bn.	Japan from Indonesia	Pertamina has signed 20-yr. contracts to export liquified natural gas to two Japanese electric companies. Tohoku will buy 148 bn. cu. ft./yr. and Tokyo Electric, 20 bn.	Initial price rumored to be about \$6 per 1,000 cu. ft.; will be indexed to crude prices.
\$1 bn.	Indonesia from Spain	Expansion of the Dumai, Sumatra oil refinery, including 62,000 bpd hydrocracker. Contract signed with Technicas Reunidas and Centunion. They had been negotiating with Pertamina for a year on question of Indonesian govt. guarantees, which have been given.	Spanish govt. Banco Exterior has offered \$290 mn. export credits; remainder likely to be oil export cash.
\$1 bn.	U.S.S.R. from Argentina	Soviets will import 80,000 to 100,000 tons of second-grade meat in each of next five years from Argentina. <i>Financial Times</i> sees it as "one of the biggest meat deals between two countries ever concluded." Argentine steak eaters shun sausage-grade meat Soviets will buy.	Annoucement on eve of U.S. lifting grain embargo calmed the Argentine worries about losing part of future grain exports to Soviets.
almost \$1 bn.	U.S.A. from Italy	U.S. Steel is buying 20,000 tons per yr. Italian seamless steel tubing from Dalmine over the next five yrs. By that time, a tube-rolling mill U.S. Steel is buying from Dalmine will be rolling.	Contracts signed.
\$7 mn. capital	U.S.A./Sweden	Harnischfeger of Milwaukee will build new plant and engineering facilities near there for a new joint venture formed with Sweden's ASEA. Will design and produce industrial electrical control systems using ASEA technology.	Harnischfeger has just received \$48 mn. from Kobe Steel for stock and construction equipment patent rights.
\$751 mn.	Libya from Japan	Libya has contracted with Kobe Steel for a steel bar-wire rod mill, a section mill in the Misurata steel complex. Turnkey basis order includes such related facilities as sea water desalination plants.	Kobe Steel will run project from scratch through starup and training of local staff.
\$100 mn. plus	Nicaragua/Libya	Accord signed between govts. April 25 provides for Libya to give Nicaragua \$100 mn. loan, guarantee all future oil needs, and invest in joint venture agricultural projects. Nicaragua is providing 10,000 ha. for projects and offered Sandinista troop exports to Libyan desert.	Nicaragua is providing PLO with training camp at Puerto Cabezas.
	India from U.S.A.	Indian govt. Dept. of Electronics has approved agreement for American Microsystems to supply technical knowhow to produce LSI circuits. State-owned Semiconductor Corp. of India will use this technology to make circuits for electronic watches and computers in a new facility for producing broad line of circuits.	Indian electronics component industry output rose 25% last year to \$1 bn.; govt. promoting expansion and computer-building; wants technology.
UPDATE			
	U.S.S.R. from Japan	Japanese steelmakers pressuring Japan's Exim Bank to finance a 3.5 mn. ton Soviet large diameter steel pipe order made in late March. Trying to bill them as "ordinary exports" separate from complex Siberia-Western Europe gas pipe deal.	Following Mannesmann pipe sale method reported in <i>EIR</i> . Tokyo govt. still resisting deal due to sanctions.
CANCELLED DEALS			
\$720 mn.	Australia from U.S.A./Japan	Alumax, the U.S.-Japanese Aluminum consortium, has formally withdrawn from smelter project in New South Wales. Broken Hill Properties, 45% partner in project, is seeking new partners to prevent total cancellation.	Alumax considered that smelter was economically risky under present conditions.