

World Trade by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
NEW DEALS			
	Luxembourg from Japan/ West Germany	An entirely unmanned factory will be reproducing itself in Luxembourg by next June. Fujitsu Fanuc and Siemens have agreed on joint venture for completely automated plant, equipped with industrial robots and automatic workpiece-carrying equipment. Factory will build 50 computerized numerical control tape-making devices. Will operate 24 hrs./day with total of 5 workers and 3 managers doing the work of 100 men.	Fujitsu has a robot-operated robot-manufacturing plant in Japan, but this may be Europe's first.
\$2.3 bn.	Australia from U.S.A.	Royal Australian Air Force has decided on 75 McDonnell Douglas F/A-18 Hornets for its \$5 billion military modernization program. Hornets beat General Dynamics F-16 as replacement for old Mirages, despite higher and uncertain costs.	RAAF claims 23 F-16s would be lost in non-combat accidents, compared with 13 Hornets during life of fleet.
\$215 mn.	Indonesia from France	Technip has won contract to build Indonesia's first newsprint plant, a 300 tpd addition to existing Probolinggo paper mill. Will use sugar cane bagasse. French govt. backing \$155 mn. loan at 7.75% over 10 yrs.	Indonesia now investing \$1 bn. to replace paper imports.
\$300 mn.	Brazil from U.S.A.	Ex-Im Bank is helping 2 Brazilian airlines buy 3 Boeing 747s and 3 Boeing 767-200s. Ex-Im is providing \$49 mn. of its own funds at 9.25% and guaranteeing \$106 mn. of private bank credits.	<i>Wall Street Journal</i> complains about the much smaller purchases of Brazilian-built light aircraft in U.S.A. while Brazil protects own small plane market.
\$92 mn.	U.S.A. from U.K.	Ford gave another 6-yr. contract to Cam Gears, its exclusive supplier of manual rack and pinion steering gear for U.S. and Canadian Ford since 1970. Workers at Cam Gears in Wales accepted intensive automation as condition of keeping contract. Cam Gears is owned by TRW.	Ford threatened to buy from Japan or produce steering gear itself, if Welsh workers balked.
\$40 mn.	U.S.A. from Japan	Ajinomoto is building a North Carolina plant for amino acid for medical use. Equipment for plant financed through state of North Carolina floating tax-free Industrial Revenue Bonds purchased by First Union Bank of N.C. <i>Japan Economic Journal</i> reports 40 Japanese companies per year are setting up U.S. plants through these bonds, which mean lower interest on their plant costs.	Most such bonds bought by Japanese banks operating in U.S.
UPDATE			
\$1 bn.	U.S.S.R. from Japan	Soviets are requesting Toyo Engineering to help it build a methanol plant in Western Siberia 5 times bigger than world's largest. Feedstock would be abundant local natural gas.	If built, plant would export methanol for oil substitution in Western Europe.
\$100 mn.	Brazil from France	Alsthom-Atlantique has signed agreement for 350 megawatt electrical plant for coal mine mouth in southern Brazil. Alsthom is now completing 2 smaller units on same Candiota site. Part of \$2 bn. state-state deal signed with Giscard in January, and completely honored by Mitterrand and Brazilian govts.	Brazilians hope for another big French pact next spring.