

World Trade by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
NEW DEALS			
	South Africa from PRC	Communist China has secretly shipped enriched uranium to South Africa, U.S. officials report. Deal done through Swiss intermediary. <i>Washington Post</i> misleadingly claims Chinese simply had "commercial" motives in aiding blacklisted South Africa to get its electrical plants functioning on schedule. South Africa is China's leading African trade partner.	Worth investigating are French and Swiss networks providing bomb technology to axis of Israel, China, Pakistan, South Africa.
	Algeria/Japan	Nichimen trading company denies that its back-to-back sale of 15,000 Hondas to Algeria and purchase of 500,000 barrels of oil from Algeria is a barter deal.	World monetary crisis is promoting barter trade.
	Japan/Canada	Mitsui will soon sign with Alberta govt., Chieftain Development, and West Coast Transmission for feasibility study on plan to transport Alberta's coal to Pacific in the form of slurry. Slurry would be mixed with methanol made from Alberta natural gas and pumped through existing gas or oil pipelines.	Japanese MITI unhappy with Canada's 72% increase in petrochem exports to Japan last year, due to low gas feedstock prices.
	LDCs from Japan	Japanese oil companies are sending their petroleum engineers to provide on-site advice and training to LDCs, while Japanese refining capacity is being shut down. Maruzen Oil plans to keep 100 engineers working abroad, rather than fire them. Mitsubishi Oil sent 24 engineers to Burma and is offering others to Saudi Arabia. Kemitu Kosan supplies both Malaysia, and Showa, Algeria with its engineers.	Most Japanese regard educated manpower as a country's real wealth. Such live technology-transfer is likely to result in future big contracts from aided LDCs.
\$800 mn.	Zaire from Switzerland, Japan, U.S., Europe	Aluminum smelter at mouth of Congo River is planned by an unusually large consortium of companies headed by Alsuisse. Plant would produce 150-200,000 tpy ingots. Alsuisse says half-dozen countries involved so as to reduce nationalization risk in "politically volatile Zaire." Zaire govt. is subsidizing 20% of construction cost and providing all infrastructure.	Will use electricity from huge Inga Dam on Congo which has gone to waste for years. Japanese interested in African source because of rising energy costs in Japan and Australia.
\$218 mn.	India from U.S.S.R.	Soviets got contract for 4.4 mn. tpy steel plant in Vishakapatnam for Indian govt. All Indian govt. steel plants built by Soviets.	Soviet credit for \$170 mn. at 2.5% payable over 17 yrs. "It's a steel."
\$114 mn.	Venezuela from Sweden	Ericsson has won order for computer-controlled telephone systems from Venezuela.	Ericsson believes it will win whole Venezuelan phone expansion.
CANCELED DEALS			
\$4.5 to \$9 bn.		Mitsui told Iran that it would entirely abandon construction of huge petrochemical complex in Iran, if Iran does not take over full burden of financing by Dec. 15. Project, 85% complete at time of Khomeini revolution, has been suspended since then. Cost has risen from original 130 bn. yen to 1-2 trillion yen now. Mitsui blames "trilemma" of revolution, war, and bombing. Mitsui complains Iran has not finished promised infrastructure. Mitsui also blames Eurodollar rates for raising interest costs on money borrowed to finance construction from expected \$27 mn. up to \$45 mn./year.	Mitsui has tough conditions on Iran so it can collect MITI foreign investment insurance after Iran refuses to meet them. Firms judges project could never be profitable, even if finished.