

Trade Review by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
NEW DEALS			
\$1.3 bn.	Indonesia from U.S.A./West Germany/Japan	Pertamina, the Indonesian state oil company, has signed with Kellogg of Houston and Thyssen (TRT) of Düsseldorf for turnkey construction of petrochemical complex. Plant at Plaju oil refinery in southern Sumatra will turn 30,000 bpd of naphtha into 400,000 tpy benzene and other aromatics. Plant will include 250,000 tpy terephthalic acid facility. Kellogg will engineer; TRT administer and procure. Pertamina is ordering \$400 mn. equipment for it, including high pressure vessels, directly through 4 Japanese trading companies, which will sign deal with Pertamina in May and thus get Japanese Exim-Bank credits. Legally, Kellogg and Thyssen are prime contractors.	<i>Nihon Keizai</i> comments on scheme of Toyo Menka Kaisha, Itoh, Mitsui, and Nichimen: "The Japanese traders kept themselves from becoming a main contractor in the Indonesian project. They apparently found it risky to do so, considering the stalemate of a similar project in Iran." In general, however, Japan-Indonesia projects are on the increase.
\$700 mn.	Maputo from Italy	Maputo (formerly Mozambique) has awarded an Italian consortium contracts for 56 separate agricultural projects, which will employ 90,000 persons. Program will irrigate 89,000 acres of croplands and improve 420,000 acres of pasturage. Partners in Coboco consortium are Italian state-owned Condotte Dacqua and Italstat, and private Lega Cooperative.	Italian Foreign Ministry arranging financing under state-state agreement. political conditions not revealed.
\$450 mn.	Malaysia from Japan	Malaysia has ordered plant which will turn Australian iron ore into 600,000 tpy sponge iron and 560,000 tpy steel billets. Plant will use natural gas from offshore its Trengganu site. Will be joint venture owned 70% by Malaysia and 30% by Japanese partners, including Nippon Steel, Mitsubishi, Chiyoda, and Daido.	<i>Financial Times</i> say Japanese beat Voest of Austria because willing to take equity share. Financing from Japan's Ex-im of \$285 mn. in yen at 7.7%; other Japanese sources providing \$67 mn. at 6.5%; all for 10 years.
\$300 mn.	Iraq from Spain	Iraq has contracted project management of a \$300 mn. antibiotics plant from Foster Wheeler's Spanish subsidiary.	Includes design, engineering, and construction supervision.
UPDATE			
\$486 mn.	South Korea from France	France has sewn up South Korea's ninth and tenth nuclear plants and is leading for 13 more planned by Korea. Alsthom-Atlantique was recently awarded contract for turbine generators and other components. Framatome subsidiary of Creusot-Loire had been given contract for nuclear steam supply system in Nov. 1980. Korea negotiated downward Alsthom-Atlantique's winning bid by reducing exchange risk through pricing equipment in Swiss francs not subject to price escalation.	Will be financed at 7.85% over 15 yrs. with grace until plant completion. Financing by Société Générale, Paribas, Banque Française du Commerce Extérieur, with govt. export aid.
\$460 mn.	China from West Germany	Following long negotiations on the mill contracted from Scholemann-Siemag for the practically abandoned Baoshan steel complex, it was agreed that delivery of the cold strip rolling mill would be postponed for three years.	Little better than cancellation.