

Trade Review by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
CANCELED DEALS			
\$800 mn.	U.S.A. from Canada	General Public Utilities (GPU), the owner of Three Mile Island, has cancelled letter of intent signed with Ontario Hydro last November for 1,200 MW power cable under Lake Erie. The cable was to move coal- and nuclear-generated power from the western peninsula of Ontario to Pennsylvania and New Jersey. GPU said the project feasibility damaged by financing problems and regulatory delays.	Canada has attempted to supplant the U.S. energy sources closed by environmentalists. Now regulatory agencies are enforcing acid-rain complaints against coal stations in Canada. GPU has been forced to shed most of its capital-investment plans as anti-nuclear forces raise its TMI costs.
NEW DEALS			
	Panama from Brazil	Panama's first auto assembly plant will be opened by Gurgel, the Brazilian jeep manufacturer, in association with Panama's state-owned Compania de Financiamiento Nacional and a group of Panamanian companies. Gurgel will hold 52% ownership and Panamanian public and private sectors 24% each. Plant will turn out 1,800 vehicles per year, mostly jeeps.	Brazil exported over \$2 bn. in transport material in 1981, including \$300 mn. in CKD (unassembled auto) kits and equal amount in parts for "world cars." But Gurgel is probably first Brazilian company to assemble abroad. South-South cooperation.
\$220 mn.	Portugal from Brazil/Italy	Port for Sines petrochemical and industrial complex in Portugal to be built and equipped by consortium of Brazilian and Portuguese builders and equipment makers in a state-state deal which provides contracts to private sector companies. Brazil's private Mendes Jr. construction co. will work with Portugal's capital goods manufacturers Mague, Somague, and Equimetal and Italy's Condott d'Acqua to build the cargo and mineral docks. Cranes, tracks, and other loading equipment will be built jointly by Brazil's largest private capital goods concerns, Villares and Bardella, together with Portugal's Socometal and Equimetal.	Deal arranged on state-state basis provides opportunities for national capitalists. Mendes Jr., with several bn. dollars worth of experience in Iraq and Africa, gets first European job. Brazilian technology will be transferred to Portugal. South-North cooperation.
	U.S.A. from Japan	Hitachi, Ltd. has signed contract with National Advanced Systems Corp. for export of Hitachi's very large-scale M-280H computer to the U.S. market. NAS, a subsidiary of National Semiconductor, will market the computer in the U.S.	The Hitachi computer is compatible with IBM systems. . . .
	U.S.S.R./East Germany/ West Germany	Soviets setting up rail-ferry system between Lithuanian port of Klaipeda and East German port of Sassnitz. Purpose is to get around Polish bottlenecks. Shipments of up to 2 mn. tpy will include Soviet trade with Western Europe, especially West Germany.	West Germany refused Soviet offers for rail-ferry terminal there last November during Polish crisis because of U.S. "Polish" sanctions pressure, but Bonn has offered to help upgrade and electrify East German railroads for extra loads.