

Trade Review by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
UPDATE			
\$15 bn.	U.S.S.R. from West	U.S. announced it was dropping sanctions against Siberian-Western European gas pipeline. Instead, Europeans have agreed to a "study period" during which existing energy contracts will be honored, but new ones banned. U.S. emphasis has shifted to preventing low-interest credits to Soviets. The sanctions were imposed last December, supposedly over Polish situation, and to prevent high technology from being sold to the Soviet Union.	Sanctions failed to stop pipeline, lost U.S. markets, and sparked progressively more bitter quarrels with Europe as U.S. punished even European subsidiaries of American firms which sought to fill contracts. Allies were beginning to take reprisals against U.S. companies.
\$550 mn.	Brazil/Japan	Brazil has "sold" the coking furnace of the Tubarão steel complex to a Japanese consortium, which then leased it back to Brazil for a ten-yr. period. Tubarão, a 3 mn. tpy joint venture of Kawasaki Steel, Italy's Finsider and the Brazilian state, was scheduled for completion in mid-83. Japanese partners in scheme are Marubeni, C. Itoh, and Japan Lease. While details are being worked out, 6 Japanese banks have given Brazil an emergency "bridge loan" of \$450 mn.	Lease-back system was developed by Morgan Grenfell, which picked up blast furnaces of Açominas steel for \$50 mn. cash earlier this year. Such mortgages are not included in Brazilian debt, but will turn up on accounts either as foreign investment or as exports. Chase reports other big deals in the works before Dec. 31.
NEW DEALS			
\$1 bn.	Italy from U.S.A.	Alitalia has taken an option on 30 Super 80 jets, made by McDonnell Douglas with Pratt & Whitney engines. If order is approved, delivery would take place between Dec. 1983 and 1986. Super 80s cost \$20 mn. each. Deal includes spare parts, crew training and startup costs.	Approval was dependent on U.S.A. dropping sanctions against companies involved in Siberian oil pipeline, so deal should go through soon.
\$60 mn.	Sweden from South Korea	Salen group ordered three 430,000 cu. ft. refrigerated freighters from Hyundai Heavy Industries.	Hyundai is a rarity in shipbuilding, with order books filled for next 18 months.
\$370 mn.	W. Germany from Italy	Klockner Steel has ordered a specialty steel blast furnace from Italmimpianti.	System recovers up to 75% of hot gases for maximum energy efficiency.
\$84 mn.	Egypt from Italy	ENI consortium awarded contract for parallel 210 km. pipelines to carry oil products and gas between Ismailia and Port Said in Suez Canal Zone.	
	China from U.S.A.	Combustion Engineering's Vetco subsidiary has sold a drilling system for the first semisubmersible drilling ship to be built in China. Vetco systems will be built in Houston and Ventura, California.	Chinese ship will be finished in July 1983.
\$7 mn.	Australia from Sweden	Australia has ordered 2 telex exchanges from Ericsson. Exchanges each have capacity of 4,000 trunk lines.	