

World Trade by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Financing	Comment
NEW DEALS				
\$1.7 bn.	Saudi Arabia from U.S.	Blount, Inc. of Alabama will be lead contractor for new University of Riyadh campus.		Agreement signed.
\$550 mn.	Indonesia/Malaysia	Indonesia and the east Malaysian state of Sabah have signed deal for joint-venture wood pulp factory, plywood plant, and sawmill. They also agreed to a common policy on timber marketing to export processed woods instead of logs.		Indonesia is world's leading hardwood exporter.
\$430 mn.	Libya from Japan/Mexico	Kawasaki Heavy Industries of Japan will build a 550,000 tpy steel plant in Misurata, Libya, for the Libyan govt. Plant will use the direct reduction technology pioneered by Mexico's Hylsa and will be fueled by Libya's abundant natural gas.		Order received.
\$250 mn.	Peru from Canada	Financing arranged for state-owned Tintaya copper mine from Canadian Export Development Corp. and private banks.	9½% over 15 years.	
\$25 mn.	Vietnam from India	India is giving Vietnam \$25 mn. credits and loaning 50,000 tons of rice.		India studying aid requests from Laos & Cambodia.
\$450 mn.	Argentina from Spain	Buenos Aires-La Plata 8-lane toll road. Buenos Aires provincial governor announced contract won by Spanish-Argentine consortium whose main members are owned by Banco Unión of Spain. Argentine national road agency has challenged award, since consortium reserves rights to raise tolls to cover cost over-runs and higher interest costs. Argentine president's office siding with province.	Banco Unión will run financing at rates which may be much above 8.9% used by its subsidiaries to win bidding.	<i>El Economista</i> (Buenos Aires) predicts big fight over contract terms.
UPDATE				
\$750 mn.	Brazil/U.S.	Brazilian subsidiary of Alcoa and Hanna Mining have raised \$750 mn. loan from Citibank-led consortium for building plant to refine 500,000 tpy alumina and smelter to turn out 100,000 tpy primary aluminum metal. Complex will utilize bauxite and cheap energy of northern and Amazonian Brazil. Alcoa's purchase of extra bauxite reserves from D. K. Ludwig has been blocked by Brazilian govt., which reportedly demands Alcoa hold reserves jointly with competing state-private-foreign aluminum consortium.	2¼ to 2¾% over LIBOR for 10 yrs. with no govt. or parent co. guarantee.	Alcoa denies reports of problems with Ludwig bauxite, but will bring in Brazilian partner to reduce political risk.