

World Trade by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
NEW DEALS			
\$2 bn.	Mexico from U.S.A.	Mexican Commerce Minister Jorge de la Vega Domínguez in Washington, May 20 to negotiate \$2 bn. U.S. sales of grain and other farm products to Mexico during 1982. Despite expected improvement in Mexican harvest, it will continue to import almost as much as 1980's 10 mn. tons U.S. grain.	Commerce Dept. says bilateral farm pact will be signed during June 8-9 López Portillo-Reagan meeting.
\$178 mn.	Mexico from U.S.A.	HYLSA of Monterrey has signed \$178 mn. credit from Eximbank toward \$1.4 bn. expansion of their Monterrey steel plant from 860,000 to 1,600,000 tpy. Expansion includes port and pelletization facilities in Tampico.	HYLSA is owned by ALFA, Mexico's strongest private group, headed by Bernardo Garza Sada, friend of Mexican president.
\$5-6 bn.	Brazil/U.S.S.R.	Bilateral trade deal worth an estimated \$5-6 bn. has been negotiated between Brazil and U.S.S.R. Includes: • \$2 bn. Soviet supplier's credit for wood methanol program; Soviets also want to supply Brazil's peat and oil shale alternative energy programs. • Soviet oil prospecting with São Paulo state oil company. • 20% of equipment for Ilha Grande dam. • Long-term purchases of Brazilian grains, breakfast crops, and mineral ores. • Soviet purchases of Brazilian manufactures.	Planning Min. Delfim Netto will sign package in Moscow, July 7-10. Wood alcohol technology arranged by Brazil's leading antinuclear scientist. Brazil has authorized Soviet wildcatting This is the unresolved hard bargaining item.
about \$500 mn.	U.S.A./U.K.	Contract for construction of U.S. Navy base on Diego Garcia Island in Indian Ocean was awarded to John Mowlem of London, Raymond International, and Brown & Root of U.S. They were selected from 15 U.S.A./U.K. consortiums.	Cost-plus basis with performance incentives.
\$500 mn.	U.S.S.R. from Japan	4 Japanese steel companies will ship 750,000 tons of large-diameter pipes to Soviets between this June and March 1982.	Japanese Eximbank and Soviet bank for foreign trade are financing it.
\$36 mn.	East Germany from Japan, not U.S.S.R.	East Germans signed contract for 10,000 Mazda subcompact cars payable in cash. They had reportedly canceled previous purchases of 30,000 Soviet Leda cars on grounds of insufficient Soviet purchases from East Germany. They have imported small lots of many European auto models, causing service difficulties.	East Germans shopping for \$3 bn. purchases from Japan, including 2 heavy crude crackers. Depends largely on Japan's buying from them.
	Zimbabwe from Japan	Mitsubishi will assemble 800 Lancer subcompacts per year in former British Leyland plant.	
\$50 mn.	U.S.A. from Spain	Combustion Engineering won contracts for engineering, steam generators, etc. for 3 Spanish power stations.	
CANCELED DEALS			
	Iran from Japan	Mitsui stopped throwing more funds into the \$3.5 bn. giant Bandar Khomeini petroleum complex in late April. Although the project is 85% complete, there are now no prospects that it will ever turn a profit. Mitsui had put in \$41 mn. on its own risk and was being asked for \$27 mn. more by Iranians.	Complex suffered some damage in war. Mitsui trying to force Japanese govt. bailout, but may end up with even bigger mess.