

World Trade by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
NEW DEALS			
\$2.6 bn.	Brazil from Japan	Japanese govt. decision to provide added \$350 mn. financing for Albras aluminum complex means that construction will begin in October. Albras will produce 160,000 tpy aluminum by 1986, all for export to Japan. Production will reach 320,000 tpy in 1990s. Smelter uses abundant bauxite and cheap hydroelectricity of Amazon, which costs 1/5 of Japanese energy cost.	Brazilian Mines and Energy Min. Cals is happy that distress of advanced countries brings transfer of energy-intensive modern industry to Brazil.
\$300 mn.	U.S.A. from Japan	Kawasaki Heavy Industries and Nissho-Iwai trading company were low bidders for 225 New York City subway cars worth \$200 mn. plus an optional 100 more. Budd Co. of Michigan bid 5% higher.	Contract, not yet awarded, will be political issue, since all vehicles ordered by Mayor Koch have grown cracks in undercarriages.
\$80 mn.	France from U.S.A.	Diamond Shamrock Corp. will export more than 2.5 mn. tons steam coal to French govt. by end of 1985. Coal will come from Kentucky.	Contracts signed.
\$160 mn.	U.S.S.R. from Japan	Komatsu has not only received a Soviet order for mammoth pipe-layers, but has already begun shipments, <i>Japan Economic Journal</i> reports. Deal for these pipe-layers was originally signed with Caterpillar of U.S.A., but ripped up by Afghan boycott.	Komatsu also may get similar \$40 mn. order held by Caterpillar.
\$62 mn.	U.S.S.R. from West Germany /Holland	Salzgitter and Hoesch won contract for 100,000 tons high-pressure spirally welded pipes. Though the pipes will be used in expanding gas lines, like other recent big Soviet orders, it is claimed they will not be for Western Siberian pipeline.	
UPDATE			
\$6.1 bn.	U.S.S.R. from West Germany	West German banks have reached a new agreement on financing German share of Western Siberia gas pipeline, which will bring 40 bn. cubic meters of natural gas per year to Western Europe. The first arrangement broke down last year when Volcker policies forced jump in German interest rates. Now, interest on DM 4 billion being financed by private banks through German govt. Facility B, will be "effectively 8%," according to <i>Handelsblatt</i> . This loan will go for pumping stations. Mannesmann will take care of separate deals to finance at comparative rates DM 11 bn. steel pipes from German producers. Mannesmann will double recent years' pipe shipments to Soviets to 1 mn. tpy, which will keep it and other German steel companies in business.	Carter and Reagan opposition has lost U.S. company sales. Despite heavy Haig pressure, European govts. are expected to approve the project once European consumers negotiate gas price and delivery terms.
\$500 mn.	U.S.S.R. from Japan	Soviets have yielded to Japanese terms on order of 750,000 tons large-diameter steel pipe, reported <i>EIR</i> , June 2.	7.75% for 5 yrs.
	Japan from Europe	Prime Minister Suzuki ordered rapid increases in manufactured-goods imports from Europe. MITI head R. Tanaka told cabinet, "There is urgency to expand manufactured-goods imports, not only for skirting greater criticism of Japan, but for preventing protectionism from rearing its head."	Japan had \$4.7 bn. trade surplus with EC in first semester. Lots of industrial joint ventures forming in Japan and Europe to grab markets.