

## Trade Review by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
\$1 bn.	Brazil from Canada	During Brazilian President Figueiredo's July trip to Canada, \$1 bn. in deals were signed for Canadian-financed exports to Brazil. Such deals by Brazil are usually part of a package in which the supplier also gives Brazil a large roll-over on existing debts. Brazil owes \$5 bn. to Canadian banks. The results of talks between finance officials on debt policy were kept secret, perhaps because of the sensitive state of each country's finances.	These deals will swing bilateral trade into balance for the next few years and there may be secret provisions for this trade to go onto a barter basis in event of monetary crisis.
<b>INCLUDES:</b> \$750 mn.	1-1.5 mn. tpy of wheat sales guaranteed for 1983-85.	Terms: 10% down, 90% in 3 payments.	
\$117 mn.	Federal Railroads from Bombardier	Brazil will send 75 of its aging diesel locomotives to Bombardier for sex change into alcohol-burners. Brazil has sought to replace imported oil with home-brew sugar cane alcohol so as to reduce import bill. However, even with cane slaves paid \$3 per day, alcohol costs \$40 per barrel to produce and takes valuable farmland out of other crops.	Financed by National Bank of Canada consortium and Export Development Corp., Brazil's railroads will chug-a-lug with Canadian Club.
\$45 mn.	Cibrazem from ABL Engineering	An Edmonton firm is designing 17 inland grain terminals for Brazil, which has minimal grain storage capacity.	Sweetener is the loan for construction costs from Toronto Dominion Bank syndicate.
\$30 mn.	Petrobras	EDC credit line for purchase of Canadian oil equipment and services.	
\$7 mn.	Electropaulo from EDC	Credit for buying Canadian electrical transmission and distribution equipment.	For use in state of São Paulo.
\$160 mn.	Ebratel from Spar Aerospace	Spar, in association with Hughes Aircraft (U.S.A.) will provide Brazil with 2 domestic communications satellites, related ground stations and equipment. Contract includes transfer of technology to Brazilian institutions. Satellites will be launched by Arianespace. Canada's Export Development Corp. financing \$84.6 mn. Canadian portion.	Brazil currently pays Intelsat \$12 mn./yr. to rent channels.
<b>NEW DEALS</b>			
\$3 bn.	Spain from U.S.A.	Spain has contracted with McDonnell Douglas for 84 F-18A fighters to be delivered in 1985 to replace existing fighter squadrons. The F-18A beat General Dynamics' F-16, the European Tornado, and the French Mirage 2000.	Part of financing will come from low-interest credits promised as part of deal on extending U.S. rights to 4 Spanish air bases.
\$870 mn.	Egypt from Spain	Egypt has signed contracts for military purchases from 2 factories owned by the Spanish govt. Bazan shipyards will build 2 reconnaissance Corvettes and 6 Cormorant-class patrol boats, worth \$500 mn. Enasa truck maker will supply 3,000 military trucks and 600 specialized military vehicles, under a \$370 mn. contract. Spanish cabinet has approved export credits from Fondo de Fomento de Exportación.	