

Trade Review by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
CANCELLED DEALS			
\$600 mn.	U.K. from Japan	Nissan Motors has shelved "for the time being" its largest overseas venture, a project to make 200,000 cars per year in Britain. The plan was for Nissan to use the plant to break through European protectionist barriers and produce in Europe before Toyota does.	<i>The Economist</i> , reflecting British anger, describes Nissan's rapid overseas expansion as "too fast."
UPDATE			
\$4.5 bn.	Brazil from World Bank/Europe/Japan	World Bank has approved \$304.5 mn. loan for Carajas iron-ore mining project, long under construction by the Brazilian govt.'s Vale do Rio Doce. \$600 mn. in loans from the European Coal and Steel Community and \$500 mn. in loans from Japanese public and private sources were conditional on World Bank approval. The first phase of the mammoth Carajas project, whose total cost is officially estimated at \$61 bn., is also being financed by \$58 mn. from the U.S. Ex-Im Bank and \$130 mn. from West Germany's development agency. But, most of the cost is being borne by the Brazilian govt. with the help of advanced sale of the iron ores. Those ores have an average richness of 66%, double that of average U.S. ores and therefore require much less cost to make into steel. Chase Manhattan estimates value of all ores in Carajas mountain at \$33 bn.	World Bank loan is for 15 yrs. at fixed interest of 11.6% plus 1.5% fee and other charges. World Bank will dribble loan funds only as project moves to completion, which will not help Planning Minister Delfim Netto's crusade to roll over Brazil's \$70 bn. debt. World Bank's "seal of approval," however, will help sustain banking confidence. Not yet clear what "strings attached."
\$200 mn.	India from France	CIT Alcatel has won approval of Indian cabinet for an electronic telephone exchange factory contract granted it in May. Half of contract is financed at very low interest by French govt.	Other bidders protesting award.
NEW DEALS			
\$51 mn.	India from West Germany	Krupp received contract from Neyveli Lignite Corp. for plant to process lignite for feeding coal-fired electric plant. Lignite is a low-grade fossil fuel between peat moss and soft coal; it is abundant in India.	India, plagued by frequent brown-outs, is struggling to boost electrical output amidst debate over whether nuclear or coal should be given priority.
\$76 mn.	India	60,000 tpy dimethyl terephthalate (DMT) plant near Bombay to be built by Bombay Dyeing and Manufacturing Co.	World Bank funding \$18.8 mn. of cost.
\$68 mn.	Egypt from West Germany	The Egyptian state-owned El Nasr Castings Co. has ordered a complete pipe-casting foundry from Thyssen. Plant will turn out pipes of 1 cm to 1 meter diameter using Thyssen's centrifugal casting technology.	Entire cost will be financed by Kreditanstalt für Wiederaufbau, the West German govt. development bank.
\$43 mn.	Paraguay from Japan	Japan is financing land-locked Paraguay's efforts to build up its merchant marine. Ex-Im Bank of Japan is offering \$35 mn. and 7 Japanese banks an additional \$8 mn.	Paraguay's fleet operates on Rio de la Plata exporting raw materials and moving contraband to and from its neighborhood.
\$220 mn.	China from Italy	Officine Meccaniche Danieli will renovate a continuous casting steel plant in China. Danieli will provide machinery and technical aid in project.	80% of Danieli sales are overseas.