

Trade Review by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
NEW DEALS			
\$113 mn.	Mexico from Japan	Japan is providing its most advanced copper smelting technology to Mexico with long-term credit. Marubeni is managing the deal, and Mitsui Mining and Smelting is building the 180,000 tpy electrolytic unit for Mexicana de Cobre in Guaymas, Sonora. The world's third largest smelter will process all output of La Carida mine. When completed in 2½ yrs., Mexico will be a leading exporter of electrolytic copper, much of it going to the Japanese market. Credit terms include \$73 mn. at 7.75% for machinery and \$40 mn. at 1% over LIBOR for construction and other Mexican costs. Both loans have 2½ yr. grace periods with repayment over following 10 yrs.	Japanese see Mexico as excellent opportunity for their future growth plans. When others are cutting trade and even jeopardizing their foreign investments, Japanese have made arrangements to keep its industrial products—via even new investments like this one—going into Mexico.
\$109 mn.	Philippines from U.S.A./Japan	Japanese banks are providing low-interest credits to U.S. and British exports to Philippines in fulfillment of Japanese promises to help its competitors in "once-developed countries" export. Bank of Tokyo is leading a bank syndicate which will finance yen-equivalent loan for the Philippine National Power Corp. to import nuclear plant equipment from Westinghouse. 10 yr. loan will be at 0.3% over Japanese long-term prime rate for portion guaranteed by U.S. Eximbank and 0.5% for the part guaranteed by the Philippine govt.	Japanese agreed to such lending in May to blunt threats of import restrictions in the U.S. and U.K. Japanese financing Britain's Davy McKee export of steel plant for Philippines under similar terms.
\$45,000	U.K./Japan	Cambridge University has linked up with Dainichi Kiko, Japan's top specialized robot maker, to design intelligent robots for practical purposes.	Cambridge has considerable practical experience in creating intelligent robots, namely, finance ministers and central bank presidents throughout the Third World.
UPDATE			
\$2.2 bn.	Japan/U.S.A.	Mitsubishi group has proposed that Japanese govt. make \$720 mn. R&D commitment in each of next 3 yrs. for participation in NASA's space station program. Mitsubishi wants Japan to join NASA in developing manned and unmanned experimental stations and the space cabs which will connect them with permanent space stations.	Mitsubishi sees Japan's role as reducing current trade friction with the U.S. while assimilating U.S. space technology. Mitsubishi understands NASA experience that every \$1 invested on space brings about \$14 worth of increased productivity.
\$8 bn.	Poland from U.S.S.R.	Polish/Soviet trade is rapidly increasing as debt problems have caused Poland to lose trade credit lines in the West. This year Poland is importing \$8 bn. worth of Soviet products in barter for \$5 bn. Polish exports, if Poland can produce them. Under barter arrangements, Poland is shipping 960,000 tons coal and receiving 300 mn. cu. meters Soviet natural gas, 4,000 tons wood pulp, 1,000 tons rubber and some car tires. Soviets giving Poland soft long-term ruble credits for food and ammonia and other vital materials and has "loaned" Poland 460,000 tons grain—something Soviets have to import themselves.	Soviets have saved more than 1,000 Polish factories with deals such as shipping cotton for 10,000 tpy cotton thread, half of which is returned to Russia as payment. Polish industries also seeking joint ventures; Western interests willing to provide working capital and markets can get equity shares in Polish factories at auction sale prices.