

## Trade Review by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
<b>UPDATE</b>			
\$2 bn.	India from France	France promised a \$2 bn. trade credit to finance capital exports to already negotiated deals for building aluminum plant in Orissa, electric plant in Bangalore, telecommunications equipment and manufacturing plants, and a truck assembly plant.	Mitterrand's visit to India consolidated numerous agreements which were made during or before Giscard d'Estaing's Jan. 1980 visit there.
\$7 mn.	India from France	France formally agreed to supply 20 tpy of uranium hexafluoride (lightly enriched uranium) to fuel the Tarapur electric plant.	Tarapur was built under U.S. Atoms for Peace. Though under full international inspection, U.S. blocked Indian efforts to obtain fuel.
\$700 mn.	India from France	India has finally signed contract for 40 Mirage-2000 fighter jets. Tentative agreement had been reached a year ago, after French abruptly seized this business from the British. The main importance of the deal is that it opens the door to the multi-billion dollar prize, which is helping India develop a modern aircraft industry, starting with assembly of the next generation of fighters.	France and the U.S.S.R., the latter being India's traditional arms supplier, are in heated competition for the aircraft industry package.
\$120 mn.	Thailand from U.S.A.	Thai Airways is getting help from Japan's ExIm Bank in financing 2 Boeing 767s as part of deal that Japanese would promote U.S. exports to the markets they dominate. Another feature of deal is that Japanese will manufacture some 767 components.	Japan ExIm part of loan is at 9.2 percent; bulk of deal financed by U.S. Exim at 10 percent.
\$100 mn.	Cameroon from ?	Cameroon seeking bidders for rebuilding 25 km railroad between port of Douala and capital of Yaounde. Route goes through mountains with unstable soil conditions.	Inland portions of 265-mile railroad being built by Cogefar of Italy and Hochtief of Germany.
<b>NEW DEALS</b>			
\$770 mn.	Korea from U.S.A.	Republic of Korea has approved order by United State Lines for 14 large container carriers from Daewoo Shipbuilding. Approval for deal, announced in April, was held up because of pressures from other shipping lines concerned about new bottoms competing with their underutilized ones, and questions about financing.	Korean Exim bank providing \$385 mn. in suppliers' credits backed by guarantees from 6 U.S. banks; U.S. Lines putting up \$154 mn. cash; remainder from Daewoo.
\$310 mn.	Brazil from U.S.A.	Goodyear has signed pact with Brazil's Beflex export program to invest \$310 mn. in increasing production of radial tires, airplane tires, and industrial belts in Brazil by 1991. In return for Beflex incentives, including easy conditions on imports of \$68 mn. in foreign equipment and generous tax rebates, Goodyear pledges to export \$770 mn. in products during same period. This will be only line in Ibero-America building tires for jets, such as 767. Investment welcome at time when Brazilian tire exports in Ibero-America are only half of last year and industry at 70% of capacity, with several multis considering closing plants.	Guaranteed market comes from new Brazilian regulation that 10% of any aircraft imported must be made in Brazil. Brazil plans \$3 bn. imports from Boeing alone during decade . . . if not prevented by IMF conditionalities.