

## Trade Review by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
<b>NEW DEALS</b>			
\$20 mn.	U.S.A./ Mexico	The state of Indiana has planned a new barge system to Mexico which will make it easy to ship Indiana corn and other farm products into Mexico and possibly to bring Mexican petrochemicals to Indiana on the return trip. Ohio River barges will be loaded at Mt. Vernon, Ind., and floated onto submersible seagoing barges at Pascagoula for trip to Mexican Gulf ports. Crowley Maritime of San Francisco and Mexico's TMM have agreed to put \$20 mn. into 38 of the seagoing barges for the route.	Sea method avoids expense and delays of obsolete rail connections. Indiana expects prompt approval from Mexico, whose food distribution agency, CONASUPO, wants to cut delivery costs. Indiana also hopes to expand system to numerous Caribbean markets.
\$275 mn.	U.S.A. from Japan	325 New subway cars will be delivered to New York City's graffiti artists by Kawasaki in 1985. Cars are destined to replace disintegrating equipment in the IRT division. Kawasaki beat Budd Co., the only surviving U.S.-based builder of passenger rail cars, since Budd could not deliver before 1987 nor meet the 12.25% interest export credit Japanese Ex-Im Bank is providing on \$126 mn. of the contract. In order to be compatible with equipment on the older cars, most of the electrical machinery on the new cars will be made by traditional American suppliers. That 40-50 % of total value will be shipped from the U.S. for final assembly in Japan.	By buying abroad, New York is ineligible for federal aid, but deficit-ridden Metropolitan Transportation Authority says U.S. mass transit aid has been cut so much as to make Japanese offer more attractive anyway.
	Brazil/China	Mendes Jr., the Brazilian construction company with \$2.1 bn. in overseas contracts, has signed a letter of intent for joint venture with China Civil Engineering Construction Corp. of Peking. They plan to work together in Third World countries. Mendes has been satisfied with low wages and regimentation of the 1,000 Chinese they have employed in their railroad-building in Iraq.	While Brazil buys 25,000 bpd oil from China, Brazil's exports there have collapsed along with Chinese industry: Iron ore, sugar, and cocoa exports, substantial in 1980, have now disappeared. Abandonment of China steel and superport projects leaves few openings for Brazilian exporters.
\$860 mn.	Indonesia from France	Paper pulp operation yielding 250,000 tpy will be built by French-led consortium in southern Borneo. Société Générale's Sogée, Grands Travaux de Marseilles, Leroy-Somer, Fives-Cail Babcock, Siemens of West Germany, and Rauma-Repola of Finland will be builders and 51% owners. Indonesia will have minority stake.	Complex will export 100,000 tpy bleached long-fiber pulp and produce 150,000 tons of paper for Indonesia.
\$540 mn.	U.S.S.R. from Austria	Voest-Alpine signed turnkey project with Soviets for mill to turn 750,000 tpy of scrap into liquid steel in electric arc furnaces. Plant, located in Byelorussia, may be model for 10 similar plants needed by U.S.S.R.	Austrian bank financing at 7.8 %, 2% below normal rate, helped win deal.
\$43 mn.	Iraq from West Germany	Iraq has bought 2 Zeiss reflector telescopes for its new national observatory to be built by Krupp, MAN, and GHH.	Arab scientists may again make major contributions to astronomy.
	Mexico from Sweden	The two govts. have signed agreement in principle on electric power to facilitate joint ventures.	Swedish Asea-Atom wants Mexican nuclear contract.