

Trade Review by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
NEW DEALS			
\$1.8 bn.	China from Canada	Canada will supply China with 3.5-4.2 mn. tpy of wheat in each of the next three years, under new agreement. This is 0.7 mn. tpy more than current agreement.	Payment terms have been reduced from 18 to 12 months.
	Iraq from India	Iraq has chosen Water and Power Consultancy Services of New Delhi to design and engineer the 92,500 hectare Kifil irrigation project in the desert south of Baghdad. The plan will use water from the Euphrates River. The same firm has finished designing a 125,300 hectare irrigation and drainage project on the Tigris River, which is about to come up for bids.	Iraq has several other irrigation projects about to go in the fertile crescent, where agriculture began.
\$1 bn.	Saudi Arabia from Cyprus/Pakistan/India/South Korea	Saudia Arabia awarded \$1.0 bn. contracts for housing for military personnel to construction firms from Saudi Arabia and many labor-exporting countries of the Third World. This contract will provide for 3,631 housing units and community facilities.	Part of \$9 bn. 10-yr. program for 40,000 housing units for security personnel. Saudi defense people don't pay mortgages.
\$7 mn.	South Yemen from Brazil	Petrobras' foreign subsidiary, Braspetro, will perform seismic studies in South Yemen. Braspetro is actively exploring and producing in Iraq, Libya, Algeria, Guatemala, China, and Trinidad.	Petrobras has discovered more oil abroad than in Brazil . . . so far.
\$37 mn.	Bolivia from Argentina	Bolivia has started building multipurpose San Jacinto dam near Argentine border. Main purpose will be to irrigate 15,600 acres. Will generate 7 MW electricity. First phase contract for dam, powerhouse and irrigation canals awarded to José Carellone of Argentina and CIMA of Bolivia.	
UPDATE			
\$3 bn.	Canada/West Germany/France/U.S.A.	Canadian and German companies have formed joint venture to develop, liquefy, and transport natural gas from Canadian Arctic islands to Western Europe. 170 bn. cu. ft./yr. of gas from King Christian and Ellef Ringnes islands would be shipped in ice-breaking tankers.	Another consortium of French and Canadian companies is studying similar project on Melville Island, which would ship the gas to the United States.
\$58 mn.	Brazil from France Creusot-Loire	The generators for the Samuel hydroelectric plant will be supplied by Creusot-Loire, with much of the work done by its Brazilian subsidiary, Mecanica Pesada, and other firms in Brazil. Plant on Jamari River in the Amazon will generate 220 MW.	Brazil can build the world's biggest generators, but accepts foreign participation as part of large financial packages signed on state-state basis.
CANCELED DEALS			
\$8 mn.	Argentina from U.S.A.	Trade sanctions imposed by U.S. in support of Britain's attack on Argentina mean suspension of \$2 mn. softwood lumber sales and \$6 mn. in military sales. \$200 mn. in preliminary Export-Import Bank credits will not go through. Eximbank is considering suspending the \$550 mn. credit for Allis-Chalmers supply of hydroelectric plant for Yaciretá Dam.	The Argentines barely pardoned U.S. for Carter administration suspension of Allis-Chalmers credits. U.S. sold Argentina \$2.2 bn. last year, double imports from Argentina. Good-buy to a prime market?