



NATIONAL FOREIGN TRADE COUNCIL, INC.

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H I G H L I G H T S

GO-AHEAD FOR \$700 MILLION STEEL WORKS LOAN: The last hurdle preventing the green light on Brazil's long-delayed Tubarao steel project has been overcome; a decision was made in principle on July 12 for Japanese banks to provide a \$700 million loan to Siderbras on terms acceptable to the Brazilians; the \$2.6 billion project - originally given the go-ahead over two years ago - is due to come on stream in Aug. '82 at a rate of 3 million tons annually. The weakness of the world's steel industry resulted in a major renegotiation between Siderbras and its two minority foreign partners - Kawasaki Steel & Italy's Finsider; in order to get Kawasaki's help in raising the \$700 million from Japanese banks, Siderbras had to make concessions; originally, Kawasaki and Finsider were due to absorb 20% each of Tubarao's initial planned annual output; following last March's negotiations, Siderbras agreed to absorb 10% of Kawasaki's allocation and, for the sake of fairness, 10% of Finsider's. Ground clearing & building of infra-structure needed to support the Tubarao project are already underway (XXXIV,18,16,12). FT/12

\$35 MILLION FOR OCCIDENTAL UNIT: Continental Illinois National Bank & Trust Co. of Chicago signs a \$35 million loan-syndication agreement with Occidental Boliviana, a subsidiary of the Occidental Petroleum Corp.; the credit will be used for development of the Tita oil & gas field in Bolivia. T/11, WSJ/10

POWER PROGRAMS IN LA: The IDB approves 2 loans totaling \$60 million for a hydro-electric power project in northwestern Costa Rica to help build the 174,000-kw. Corobici power plant; like a 157,000-kw. power plant nearing completion in the same area, the new facility will use water from Costa Rica's Lake Arenal to power its generating units. A small part of the new loans also may be used to plan construction of a much larger, 760,000 kw. hydroelectric power project designed to supply electricity to an aluminum-processing plant slated to begin operation in '86. Elsewhere, the World Bank loans Guatemala \$72 million to develop the hydroelectric potential of the Chixoy river; the Chixoy power project has an estimated total cost of \$414.1 million, and will include the construction of a 108-meter high dam, with a volume of 2.8 million cu.m.; the IDB, the Venezuelan Investment Fund and the Central American Bank for Economic Integration are providing co-financing in the amounts of \$105 million, \$70 million & \$9 million, respectively, while co-financing of up to \$23 million will also be provided by private financial institutions. WSJ/10, WB/30

FUNDS FOR SHIPPING: The World Bank grants Argentina over \$3 million in credits to study the expansion of the Bahia Blanca access channel, while Brazil's Sunamam receives a \$300 million, 10-year Euro\$ credit from a banking group led by Bank of Tokyo and Bankers Trust Int'l to increase the country's merchant marine by 765 vessels by '81. SD/26, WSJ/19

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