

-5-
Business Latin America Sept. 17, 1980

- And Electrification*
- hydroelectric resources to be pursued with the construction of the \$150 million Corobici Dam that is to produce 174 Mw of electricity
 - nearly completed, is the Arenal hydroelectric project, 157 Mw.
 - government has obtained financing for a rural electrification project from the Inter-American Development Bank. The loan is for \$26 million.
 - exports in 1979 were \$890 million, while imports surged to \$1.45 billion
 - 1980 projections - \$975 million:exports \$1.6 billion:imports

Latin America Commodities Report 27 April 1979

- 1978 profits of the four major companies- ALCOA, Alcan, Reynolds & Kaiser were at record or new record levels
- bauxite production has been running well below mine capacity for several years
- International Bauxite Association 11 nations - Australia, Dominican Republic, Ghana, Guinea, Guyana, Haiti, Indonesia, Jamaica, Sierra Leone, Surinam, Yugoslavia 5 years old
- Australia undermined effectiveness of the IBA by refusing to use pricing strategy this year
- Guinea possesses 1/3 proven world bauxite reserves
- Guyana nationalized Alcan and Reynolds
- forecasts - aluminum will remain high in all markets, its energy efficiency should give it a competitive advantage in the 1980s. energy represented 60% of total cost of plastics, 27% of steel sheet, 32% of cast iron and 28-35% for products made from primary aluminium

Elements June 1976

- Aluminum*
- "The capital-intensive plants Suralco and Billiton (2 aluminum companies) build created very little employment in Surinam. Today, only about 6,500 Surinamers work in the bauxite industry, while more than 5,000 Bush negroes and Indians had to migrate when the Brokopondo dam and power plant were built. The nation's population total 480,000. Now, ten years later, these people and their descendants are still among the unemployed army in the slums of Paramaribo."
 - bauxite multinational reinvested only small sums in Surinam after completion of their works, although their net rates of return on investment were between 12 and 25 percent. Since about 1970, virtually all profits have been transferred to Pittsburgh and The Hague. Until, 1974, the value Surinam retained in the form of wages, local expenditures, and tax payments was only about 18 percent of the export value of bauxite, alumina and primary aluminum.
 - ALCOA has a old \$400 million Surinam bauxite-aluminum operation in Surinam

New York Times Dec. 12, 1974

- Suralco (Surinam Aluminum Company) a subsidiary to the ALCOA
- Jan. 1, 1974 Surinam bauxite 0 \$10 a metric ton

BW Nov. 1, 1976

- "Although Jamaica's agreement with the aluminum companies rules out future abrupt bauxite price jumps, by basing bauxite levies on aluminum prices the island insures that its tax take will move in tandem with ingot price rises in the U.S."
- "These U.S. plants are designed to process bauxite and alumina imported from specific sources overseas. But there is plenty of bauxite in the world,

LA Times Apr. 27, 1975

"We believe that even the American Businessman gets wise eventually and will realize that his future is more secure when it is tied up with the people of the country," Sir Egerton Richardson, Jamaican Bauxite negotiator

~~Central America Report - March 13, 1978~~ - - - - -

Northwest Bulletin May 1977

Alcoa

- ALCOA 1975 ranked #85 on Fortunes' list \$2.31 billion sales controlled by the Mellon family; interests include bauxite in Jamaica, Surinam, Dominican Republic, Australia(51% interest) Guinea (27% of Halco Mining), Brazil, plus alumina refining done in the U.S., Jamaica, Surinam, Australia (51%) Smelting plants in 5 U.S. states plus Australia (51%), Surinam + 4 cut dependence on Caribbean bauxite from 84% in 1972 to 70% in 1974 and 38% in 1975.

Reynolds

- Northwest smelters get 3/4 of their bauxite from Australia
- REYNOLDS METALS second largest U.S. aluminum company; family run; \$1.7 billion in sales in 1975 ranked #123; bauxite in Jamaica, Haiti and Arkansas; Guyanna mines were nationalized in 1975; all northwest smelters get their bauxite from Jamaica.
- Kaiser and Märetta Companies discussed

Bauxite

Wall Street Journal Jan. 24, 1974

- bauxite is relatively cheap costing only about \$10 a ton in Jamaica including tax and royalties to the government of about \$2.50 a ton. If the government took \$5.00 a ton only 1/2¢ a pound would be added to the U.S. cost for aluminum ingot with sells for 29¢ a lb.
- Only a handful of specialized companys have the technology or the necessary amount of energy
- Unlikely, success of aluminum cartels due to bauxite's availability
- Australia alone could produce enough bauxite for the whole world for the next 100 years

TBA

Business Latin America Jan. 14, 1981

- colon floated ; all government projects for 1981 suspended; hiring freeze.

Business Latin American Dec. 24, 1980

GE

- government under IMF restrictions to restrain spending and curb foreign financing.
- official devaluatino would restore confidnece in the government, open up more credit sources and also ease the balance-of-payments crunch
- The World Bank proposed in a report to the administration a few months ago that it should devalue by 20-25%, based on the currency's value at end-1979, to be followed by another 20% devaluation.

Business Latin America Sept. 24, 1980

- "conditions attached to this second credit reportedly do not involve a devaluation." IMF policy
- President Rodrigo Carazo's oppositon, Daniel Oduber, has vehemently attacked the president for causing the country's economic woes and handing over its "economic sovereignty" to the IMF.

Business Latin America Sept. 17, 1980

Mex

- new private investment projects announced so far this year amount to no more than \$4 million in total; primarily concentrated in small industries, such as wooden-toy manufacture, furniture and packaging
- Officials have contracted with a Japanese firm to do a feasibility study for a free zone to be established in the ports of Moin on the Atlantic and Caldera on the Pacific. The plan, which would encompass a 4-6 year period starting in 1981, envisions space for more than 30 exporting industries; priority - electronics, textiles & metalwork

COSTA RICA/ALCOA

- 1979 - Costa Rica imported app. 20,000 bpd of crude & refined oil products @ \$200 million
60% of total energy consumption is petroleum
- hydro electricity: currently 357,000 kwh (33% of energy consumption)
- Boruca power station - estimated 760 Mw of electricity to be build in association W/ aluminum processing plant estimated price \$1.7 billion
completion targeted for mid-1980's (current economic troubles & lack of funds makes completion target doubtful)

ALUNASA

- Bauxite* June, 1980 - government developing bauxite reserves with foreign partner
- estimated costs \$225 million plus construction of complementary hydroelectric plant in the works
Hist. - ALCOA pulled out of similar deal 10 years ago due to popular protest

Central America Report March 13, 1978

- Main* - C.R. gov't awarded contracts to a Norwegian consulting firm & to a Rumanian consultant company, Metaron for feasibility studies for a smelter plant in Moin, Puerto Limon & extraction of bauxite in San Isidro respectively
- dock facilities presently under construction by the Refinadora Costarricense de Petrolea (RECOPE) will facilitate the export of ingots or if bauxite is not mined in Costa Rica, raw material for the plant will be imported from Aruba, Surinam, Gran Cayman & other Caribbean islands
Smelter Port - CODDESA (Costa Rican Development Corporation, in Nov. 1976, signed an agreement with the Instituto Inmobiliario Italiano and the Banco Central de Costa Rica for the financing of a smelter plant in Limon. Estimated cost of plant - \$52.2 million jointly funded by the Instituto Mobiliario Italiano (85%) & Banco Central (15%); Tecno Engineering Hunder (Italian firm) (30% with CONDESA of the company Aluminios de Centroamerican SA (ALUCASA) was contracted to install the plant

Wall Street Journal Apr. 28, 1972

- History* - Coffee growers have piled 75 million pounds more than they can use. Russians have promised to siphon off the surplus.
- ALCOA has had a controversial \$100 million project on the drawing boards here to process alumina from bauxite. Don Pepe says this now will be taken a step further with the alumina turned into finished aluminum. He adds "aluminum could be our main export, more than our coffee, bananas and beef together."
- an additional \$100 million would be required of low-cost electricity World bank to finance part and the Russians the other part. Pepe: "Most important the Soviet Union specializes in high-grade electric generating plants."
- This would fulfill the coffee agreement with Russia (\$1 out of every \$2 coffee dollars spent in C.R. by Russia must be used to buy Russian equipment)
- Alcoa agreed to enter into a feasibility study with the Russians.

Wall Street Journal May 29, 1974

"The worth of bauxite is debatable. Aluminum companies argue for instance that bauxite's inherent value is low because vast quantities of ore are available around the world. The Jamaicans, however, place a higher price tag on their bauxite to reflect shipping-cost advantages over more remote ore sources."

"The Politics of Change" by Micheal Manley

11 Mw

11) 4 11 8
2.75 billion
3.0
2820
1640
440

*

The Costa Rican government is also seeking a \$26 million loan from IDB for a rural electrification project.

As of September 1980 the government had ~~several loans pending~~ ^{received} approval. ~~for~~ approval for the following loans:

(all dollar amounts shown are for millions)

<u>SOURCE</u>	<u>AMOUNT</u>	<u>PROJECT</u>
Bank of America	\$70.	\$45.8 million for previous debt repayment
National Trust		\$24.2 million to finance the National Aqueduct Plan
Costa Rican Central Bank		
Inter-American Development Bank	\$60.2	ICE hydroelectric Corobici Dam
Venezuelan Investment Fund	\$6 million	construction of new Port of Caldera