

Message Text

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PAGE 01 LA PAZ 00172 092234Z

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ACTION ARA-20

INFO OCT-01 EA-11 ISO-00 EB-11 CIAE-00 INR-10 NSAE-00

RSC-01 AID-20 TRSE-00 SCEM-02 SS-20 INT-08 DRC-01

/105 W
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P R 092108Z JAN 74
FM AMEMBASSY LA PAZ
TO USDOC WASHDC PRIORITY
INFO SECSTATE WASHDC 1893
AMEMBASSY TOKYO

UNCLAS LA PAZ 0172

E.O. 11652: N/A
TAGS: BEXP, ETRD, ENRG, EFIN, BL, JA

SUBJECT: SPECIAL TRADE OPPORTUNITY: PETROLEUM REFINERIES -
FOLLOW-UP

REF: A-62 APRIL 6, 1973 AND LA PAZ 0039 (NOTAL)

1. REFTEL REPORTED OUR T0013, AN INVITATION FOR PRESELECTION
OF BIDDERS TO DESIGN AND BUILD TWO REFINERIES AND ONE LUBRICANTS
PLANT, WITH FINANCING BY IDE.

2. ROLANDA PRADA, GENERAL MANAGER, YACIMIENTOS PETROLIFEROS
FISCALES BOLIVIANOS (PYFB), THE BOLIVIAN GOVERNMENT'S PETROLEUM
CORPORATION WHICH ISSUED INVITATION, AT DINNER AT AMBASSADR
STEDMAN'S RESIDENCE ON JANUARY 8, MENTIONED TO EMBOFFS THAT YPFB
MAY FORSWEAR USE OF IDB CREDIT TO FINANCE BUILDING REFINERIES
AT COCHABAMBA AND SANTA CRUZ. AS ORIGINALLY PLANNED, PROJECT
WILL COST US \$ 58 MILLION, 20 PERCENT OF WHICH WILL BE PAID
BY YPFB AND THE REMAINDER FINANCED BY IDB. HE STATED IDB
DEMANDS TOO MANY REQUISITES AND TAKES TOO LONG TO DISBURSE.
HE ADDED THAT LOAN NEGOTIATIONS FOR REFINERIES AND LUBRICANT
PLANT HAVE BEEN GOING ON NOW FOR OVER TWO YEARS AND MAY CONTINUE
FOR AN ADDITIONAL SIX MONTHS. HE ADDED THAT IT IS JUST AS
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PAGE 02 LA PAZ 00172 092234Z

CONVENIENT FINANCIALLY TO BORROW COMMERCIALLY (HAS HAD OFFER OF

10 YEAR CREDIT FROM FIRST NATIONAL BANK OF BOSTON) AND ROLL
OVER CREDIT AS IT IS TO BORROW FROM IDB ORDINARY CAPITAL.

3. HE SAID YPFB TIRED OF WAITING AND HAS ISSUED CITED INVITATION
WITH DEADLINE OF FEBRUARY 18. YPFB EXPECTS TO GET FAVORABLE BID
FROM JAPANESE FIRMS WHICH MAY AGREE TO RECEIVE PAYMENT IN CRUDE
PETROLEUM.

4. PRADA ALSO SAID SANTA CRUZ REFINERY IS TO BE CONSTRUCTED WITH
10,000 BARREL PER DAY CAPACITY, EXPANDABLE TO 15,000.

5. REFAIR IS 1972 "PETROLEUM REPORT", CONTAINING MORE DETAIL ON
BOLIVIAN PETROLEUM INDUSTRY. INVITATION'S SPECIFICATIONS WERE
SENT TO USDOC (BIC-267) JANUARY 3, 1973.

6.. BOLIVIA'S PETROLEUM EXPORTS IN 1973 ESTIMATED AT 11.9
MILLION BARRELS UP FROM 10.9 MILLION IN 1972.

7. COMMENT: SHOULD BE BORNE IN MIND THAT, IF JAPANESE GET CONTRACT
IT WILL BE MAJOR ENTRÉE FOR THEM AS SELLER TO YPFB AS WELL AS
BUYER OF BOLIVIAN CRUDE. EMBASSY BELIEVES THAT, AS INDICATED
TO EMBOFFS EARLIER ON JANUARY 8, YPFB WOULD BE RECEPITIVE TO A
SIMILAR OFFER FROM U.S. FIRM.

8. ACTION REQUESTED: ENCOURAGE U.S. FIRMS TO COMMUNICATE
DIRECTLY WITH YPFB ASAP AT ADDRESS SHOWN REFTEL. ALSO, MAKE
AVAILABLE TO INTERESTED U.S. FIRMS THE DETAILED IDB DOCUMENTS
ON THIS PROJECT.

STEDMAN

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, CONSTRUCTION, REFINERIES, PROPOSALS (BID), LOANS, NEGOTIATIONS, EXPORT DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 09 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LAPAZ00172
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: LA PAZ
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740154/aaaabysf.tel
Line Count: 90
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: A-62 APRIL 6, 1973 AND LA PAZ 0039 (, NOTAL)
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 01 OCT 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 OCT 2002 by MorefiRH>; APPROVED <18-Nov-2002 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SPECIAL TRADE OPPORTUNITY: PETROLEUM REFINERIES - FOLLOW-UP
TAGS: BEXP, ETRD, ENRG, EFIN, BL, JA, US, IDB, YPFB
To: COM STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005