

A three-month survey of 120 merchants beginning in October aims to determine whether Bahraini goods will be able to compete freely against those from Saudi Arabia, or whether the former should be protected in some way. Another possibility is to set up a preferential agreement, giving Bahraini merchants advantages in Saudi Arabia and vice versa.

The survey will attempt to estimate the probable volume and type of trade between the two countries, and the extent to which Bahraini traders might be able to sell goods in Saudi Arabia. It will also investigate the possibility of co-operation, rather than competition, between Bahraini and Saudi agents selling similar goods.

The main problem is customs duties. In Bahrain, they vary between 5-20 per cent, apart from duty on alcohol, which is 100 per cent. Essential imported goods, such as food, medicine and construction materials, are taxed at 5 per cent, consumer goods at 10 per cent and cars at 20 per cent.

In Saudi Arabia import duty is only 3 per cent, and is applied selectively. In addition, goods for a market of 10 million people can be bought more cheaply than those for a market of fewer than 360,000.

CYPRUS

Further Nicosia sewerage tender called

The Sewage Board of Nicosia invites bids for installation of sanitary sewers and water mains — contract 4 of the second stage of the Nicosia sanitary sewerage system (see TENDERS). The board earlier invited bids for a contract to supply materials for the scheme (MEED 22:7-83).

Work includes installing about four kilometres of pipes for sanitary sewers and service connections, 500 metres of water mains, and other equipment and materials. Sanitary sewers can be made either of asbestos cement or polyvinyl chloride (PVC); water mains must be asbestos cement and water main house connections polythene.

Financing is through a European Investment Bank loan, so only EEC or local firms are eligible to bid. Tender closing date is 6 October.

IN BRIEF

• A new currency system will be introduced on 3 October. The Cyprus pound remains unchanged, but will be divided into 100 cents instead of 1,000 mils. The first batch of new coins have been made at the UK's *Royal Mint* at a cost of EC 400,000 (\$740,000), the use of plastic materials will save EC 120,000 (\$222,000) a year, the Central Bank of Cyprus says. CIP's chief will continue to be head teacher for the rest of the year.

• *Hanseatic Shipping Company* — an offshore ship management firm based in Limassol will open Cyprus' first marine training school in six months. About 60 men, half Cypriot, will be trained as lower ratings. The school will cost EC 100,000 (\$185,000) to set up and EC 120,000 (\$222,000) a year to run.

EGYPT

US to co-operate with radar production

Egypt is in the final stages of talks about phased co-production, with the US' *Westinghouse*, of the latter's TPS-63 air defence radar. The equipment would be built at the Benha electronics factory, 50 kilometres north of Cairo.

The US magazine *Aviation Week & Space Technology* quotes Deputy Prime Minister & Defence & Military Production Minister Mohammad Abdel-Halim Abu Ghazala as saying the programme has the highest priority in the efforts to modernise Egypt's air force and air defence network.

The co-production contract being negotiated is estimated to be worth more than \$100 million. It is said to call for initial construction of 34 radars, although the number could eventually be doubled. Negotiations are expected to be complete by October (Egypt, MEED Special Report, July 1983, page 31).

US firms hope for water contracts

A major wastewater contract is expected to be awarded soon by the *Potable Water & Sanitary Drainage Organisation*. Front-runners are reported to be a US joint venture of *Herbert International* and *J A Jones Construction*, which has submitted a low bid of about \$40 million.

The contract involves building wastewater systems in the canal cities of Ismailiya, Port Said and Suez, where the bulk of the work will be done. Nearly a dozen US companies are believed to have prequalified for the contract, which will be financed by the US Agency for International Development (USAID).

J A Jones — a subsidiary of West Germany's *Philipp Holzmann*, has teamed up with *Dillingham Construction International* to bid for two water contracts in Alexandria. Closing date is 15 November. These contracts, valued at about \$25 million each, call for the building of a wastewater pumping station and sewer mains collectors, Jones says.

France denies car deal

France's *Renault* says Egyptian officials have not yet selected a company to build a passenger car factory locally. A decision is expected later this month, or in October.

France's *Peugeot* and West Germany's *Volkswagen* are also competing to build the plant, which will produce 35,000 cars a year. It is not clear whether the winner will build a new plant or renovate an old assembly line, Renault says.

At present, only *Fiat* cars are assembled locally, at the state-owned *Nasr Automotive Company*. The government is keen to set up a second plant that will involve a high degree of local production.

Ethylene terminal contract imminent

A \$25 million construction contract for an ethylene terminal in Alexandria is expected to be awarded in October. Public opening of the final bids is scheduled for 22 September (MEED 17:83).

Companies competing for the contract — to supply two 6,000-ton tanks — are: *Toyo Engineering, Niigata, Ishikawajima-Harima Heavy Industries* and *Japan Steel Works*, all of Japan; *Technipetrol* and *Snamprogetti*, both of Italy; and two French firms *Technigaz* and *SMCNP*.

Client is the *Egyptian Petrochemical Company (EPC)*. The ethylene is expected to be used as feedstock for EPC's 100,000-ton-a-year vinyl chloride monomer (VCM) plant, being built in Alexandria.

Another EPC contract to be awarded soon is the \$10 million managing contractor's job. This will involve co-ordinating construction on the entire site, and ensuring work is on schedule and within budget. Switzerland's *BBC Brown Boveri & Company* is reported to have won the \$44 million contract to build a combined cycle 45-MW power station.

According to the London weekly *European Chemical News*, Egypt is also considering building a factory in Alexandria to produce 40,000-50,000 tons of polypropylene a year.

Westinghouse in new nuclear move

The US' *Westinghouse Electric Corporation* and Japan's *Mitsubishi Heavy Industries* have agreed in principle to bid jointly for turnkey construction of the El-Dabaa nuclear power station. The agreement, announced in the last week of August, follows the US' Export-Import Bank's (Eximbank's) refusal to extend credit to two US bidders, including Westinghouse. A two-month extension to the tender closing date was also announced recently (MEED 2:9:83).

The agreement follows several months of negotiations, Westinghouse says. Mitsubishi is believed to have a better chance of lining up credit — through the Japanese government — than the US firm.

The tender closing date for the power