

out for the *Bahrain Tourism Company*, which owns the Holiday Inn, and *Bahrain Hotels Company*. The latter, which runs the Gulf hotel, is part-owned by the government and Bahrain-based *Gulf Air*.

The new properties will intensify competition among the island's top-class hotels. There are already six in operation. Rates for single rooms range from BD 30-40 (\$80-106) a night.

IN BRIEF

o The Muharraq sports complex opened officially on 15 December. Designed by *Module 2* of the UK, the complex includes a football pitch and an athletics track.

o An attempt to stage an Iranian-supported Islamic fundamentalist revolution has been foiled and 60 alleged terrorists arrested, government officials say. The planned coup — to take place on Bahrain's National Day on 16 December — included taking ministers hostage and seizing the state-owned radio and television. Those arrested comprised 45 Bahrainis, 13 Saudis, one Omani and one Kuwaiti. All are alleged to be members of the pro-Iranian Islamic Front for the Liberation of Bahrain. Bahrain says they were trained and armed in Iran and that, after the planned coup, Tehran Radio was to have broadcast an appeal urging support for the revolutionary leaders.

CYPRUS

TFSC coalition deal possible

Agreement is expected on a coalition government for the self-proclaimed Turkish Federated State of Cyprus (TFSC), which is recognised only by Turkey. Talks between the ruling National Unity Party (NUP) and the Communal Liberation Party (CLP) have made "substantial progress," MEED has been told.

The minority NUP government resigned after a no-confidence motion was passed by 21 votes to 17 in the Legislative Assembly (parliament) on 7 December. It criticised the government for high unemployment, failure to reform the taxation system and allowing industrial production to fall. The CLP — led by Alpay Durduran — joined with two other parties in the vote. Until a new government is formed, Prime Minister Mustafa Cagatay and his cabinet will continue in a caretaker capacity.

The NUP won 18 of the assembly's 40 seats in the June elections (MEED 17:7:81). The proposed CLP-NUP coalition would have 31 seats — a substantial majority.

IN BRIEF

o A fiscal 1982 draft budget for the self-proclaimed Turkish Federated State of Cyprus provides for total spending of TL 11,950 million (\$92.2 million). More than half will

be provided by Turkey in grants and loans. Current spending will total TL 8,000 million (\$61.7 million), investments TL 3,200 million (\$24.7 million) and defence spending TL 750 million (\$5.8 million). The total is almost double the 1981/82 budget in local currency, but only 33 per cent higher in dollar terms (MEED 23:1:81). The budget will run for 10 months from March 1982 so that fiscal 1983 will coincide with the calendar year.

o Regulations for setting up offshore banking units (OBUs) have been published in the Banking Business (Temporary Restrictions) Law. Applicants must be of good reputation, operate wholly offshore in foreign currencies and have fully staffed operations, not merely "brass-plate" registrations. An annual fee of \$15,000 is payable to the Central Bank to cover supervision costs (Cyprus, MEED Special Report, May 1981, page 25). In another measure to encourage offshore companies, foreign employees have been granted customs exemption for purchases of cars and household and office equipment (MEED 18:9:81).

o Most-favoured-nation status has been agreed with Iraq for customs duties, taxation and other charges relating to trade.

DJIBOUTI

o A delegation led by Industry Minister Fahmy Ahmed el-Hag arrived in Saudi Arabia on 13 December for talks with private businessmen on investment in industrial projects in Djibouti. A return delegation is expected to visit soon to study possible projects, Fahmy said. After his state visit in August President Gouled said Saudi Arabia was prepared for substantial investment both through private capital and aid (MEED 4:9:81).

o *Electricite de Djibouti* is to begin installation of a new generator at the Bualos power station in March, under the second extension programme part-financed by France's Caisse Centrale de Co-operation Economique (CCCE) with a FF 12.75 million (\$2.2 million) loan. The state company is also planning to install two 12-MW generators in Djibouti town during 1983-84 and is hoping to get finance from Kuwait and the Islamic Development Bank.

EGYPT

Rothmans to set up joint venture

The UK's *Carreras Rothmans* has signed a protocol with the state-owned *Eastern Tobacco Company* to set up a joint venture in Egypt (MEED 4:12:81). A Rothmans spokesman said the agreement had "cleared the major hurdles" for the project to proceed. One of these had been the level of royalties Rothmans would receive for manufacturing its brand names. The next stage is the drafting of a pre-incorporation agreement setting up the joint venture — this is expected to take two months. It will then take up to two years for the factory to start up. Eastern will have 51 per cent and

Rothmans 49 per cent of the joint venture's £E 12 million (\$14.5 million) equity capital. The factory, which will be near Cairo, will have a working capital of £E 60 million-70 million (\$72.3 million-85.4 million). Initial output will be 5,000 million cigarettes a year, rising to 15,000 million in five to seven years. The brands for manufacture have yet to be decided, but each partner will start by providing one brand.

The joint venture's production will supply some of the 11-12 per cent annual growth in the Egyptian cigarette market and will also replace some imports. Current consumption is 34,000 million-35,000 million cigarettes a year, of which 30,000 million are produced locally.

Sewerage designs to start

Work is to start soon on the first stage of designs for the east bank works of the greater Cairo wastewater project (MEED 4:12:81). This follows agreement between the UK government's Overseas Development Administration and UK consultant *Taylor Binnie & Partners*. The works are to comprise major tunnel sewers, pumping stations and culverts and are part of an overall scheme expected to cost some £540 million sterling (\$1,036 million).

Taylor Binnie & Partners is a consortium of *John Taylor & Sons* and *Binnie & Partners*, both of the UK. The former is the UK participant in the US/UK consortium *American British Consultants (Ambric)*. Taylor Binnie & Partners and *Egycon* — a consortium of three local consultants — are responsible for the project's overall consultancy. Client is the Organisation for the Execution of the Greater Cairo Wastewater Project.

Belgians to set up fertiliser plant

Fertico Belgium is to set up a 6,000-tonne-a-day joint-venture fertiliser terminal and bagging unit at Alexandria. The complex will have loading and unloading facilities for bulk and bagged fertilisers which it will also distribute.

Fertico will be responsible for design and installation of equipment, and maintenance and supervision, the London monthly Fertilizer International reports. The \$14 million project is to be financed by private loans and share capital. Some 62 per cent of paid-up capital will be held by Fertico and the remainder by Egyptian partners.

The Alexandria terminal will reduce the freight costs of fertiliser imports, Fertico says. Local production is rising but will fall short of demand in the mid-1980s. Annual imports of nitrogen-based fertilisers are expected to double to nearly 2 million tonnes by 1984-85.

Satellite survey reveals rare metals

A satellite-assisted geological survey has revealed deposits of several rare metals, including niobium and tantalum.