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meeting that ended in Baghdad on 14 February.

The credit will support the export of capital goods. Swedish exports to Iraq in 1985 were valued at about SKr 1,000 million (\$ 136 million) — down from the 1982 peak of SKr 3,000 million (\$ 408 million). Swedish companies working in Iraq believe it is an important market for them, and are looking at the power generation and health care sectors in particular.

Atomic power site to be chosen

The first phase of a site selection study for the country's first nuclear power station has been completed. The client, the Iraqi Atomic Energy Commission (IAEC), on 24 February announced that work will start soon on the second-stage — to determine and evaluate the final site for a 440-MW pressurised water reactor (PWR).

The studies are being done by the Soviet Union's *Atomenergoexport*, according to a contract signed with IAEC in March 1984 (MEED 9:3:84). The agreement also calls for the Soviet company — which is main contractor for the plant — to train local staff to operate and maintain the facility.

Plans envisage construction of a series of medium-size nuclear stations to provide 5-10 per cent of Iraq's generating capacity by 2000 (Iraq, MEED Special Report, October 1985, page 10).

IRAQ

IN BRIEF

o The Kifl-Shinafiya irrigation project was discussed at a Planning Ministry symposium which ended on 17 February. The scheme — over 96,000 hectares in Babylon, Qadisiya and Najaf governorates — was designed by India's *Water & Power Development Consultancy Services (Wapcos)* — MEED 10:12:82). A \$ 175 million order to build four river barrages, to regulate water flows to the project's main irrigation canals, was awarded to *China State Construction Engineering Corporation* in 1984 (MEED 22:3:85; 4:5:84).

o The Local Government Ministry carried out 1,046 projects in 1985 costing a total ID 349 million (\$ 1,125 million). These included schools, homes, medical centres and seven sports stadiums.

o The Technical Institutes Foundation plans to accept 25,000 students at its polytechnics in the 1986/87 academic year. Just above 14,800 students were admitted in 1985/86. In 1972, the foundation's first year, only 940 students were admitted.

o The Scientific Research Centre (SRC) has a five-year contract to set up three solar-powered systems to be used for irrigation and desalination; client is the Irrigation Ministry. The systems will be set up on the Fadhilliya agricultural project on the outskirts of Baghdad, and in northern and southern zones of the western desert area. SRC will also concentrate on exploiting wind energy and

study the possibility of using wind to generate electricity.

o New regulations covering the employment by foreign companies of local, Arab and foreign workers — resolution 1097 — have been published in the official gazette.

o Provisions for educational, health and social services are included in the 1986 budget. More money has been allocated to essential services such as electricity and water, the daily Baghdad Observer reports. Finance Minister Hisham Hasan Tawfiq says the budget will continue to subsidise the price of essential and basic goods, as well as improve existing services. "This year's budget will be both a war and a development budget," he said (MEED 1:2:86).

JORDAN

Aircraft deal closed

Delivery is to start in late 1986/early 1987 of the 16 C101 trainer aircraft ordered from Spain's state-owned *Construcciones Aeronauticas (CASA)* — MEED 6:7:85). Financing of the \$ 90 million deal is now in place: \$ 18 million is to be lent by the Madrid government on concessionary terms, \$ 9 million is Jordanian risk, and the balance — \$ 63 million — is in the form of an export credit.

The credit line has been arranged and fully underwritten by *Bank of London & South America (BoLSA)*, *Lloyds Bank International's* Spanish operator, and *Banco de Santander*. It is backed by Spain's two export credit agencies — CESCE, which provides cover, and ICO, which provides the interest rate subsidy. Borrower is the Finance Ministry, on behalf of the Royal Jordanian Air Force.

The seven-year finance contract was signed by the Finance Ministry and the two banks on 23 December. It has a spread of 11.20 per cent — the end-1985 OECD consensus rate for Jordan — with a drawdown of up to two years; repayment, in equal six-monthly instalments, starts six months after delivery.

This was followed, in early February, by signature of an interest make-up agreement between the banks and ICO. This calls for ICO to make up the difference between the fixed-rate interest on the loan — 11.20 per cent — and the cost to the banks of funding, plus margins. ICO will also pay the front-end fee — about ½ per cent — on delivery of the aircraft.

There is to be no general syndication of the \$ 63 million credit. However, talks are being held with a select group of Spanish and international banks which have expressed interest.

In what appears to be a separate deal, reported from Jakarta, Amman has ordered two CN-235 transport aircraft from Indonesia's state aviation firm, *PT Nusantara* (formerly PT Nurtanio). The twin-turboprop utility machines,

which are valued at about \$ 5.7 million each, are produced in co-operation with CASA in both Bandung and Madrid. No details are available of financing arrangements.

TCC approaches privatisation

British Telconsult has completed its feasibility study on privatising *Telecommunications Corporation (TCC)* — MEED 20:7:85). The government has not decided definitely to go ahead with the move, but enthusiasm is high.

Communications Minister Mohieddin al-Hussaini has outlined one possible approach. This involves converting TCC into a shareholding company, with all the shares owned by the government; a consultant would then advise on restructuring TCC into a commercial entity. A board could be appointed, with private-sector representation, to decide on a public share issue. Al-Hussaini does not envisage a 100 per cent government sell-out.

Higher profitability and an improved service are the aims of privatisation. Several concerns — including British *Telconsult*, a division of *British Telecom* — have offered management consultancy services.

TCC plans to expand its radio telephone network countrywide. The existing system, installed by Japan's *C Itoh & Company*, has 2,000 units, expandable to 10,000, and operates within a 35-kilometre radius of Amman. There are now about 350 subscribers, and 10 new connections are made each day — encouraged by a January cabinet decision to cut installation fees and annual subscriptions, and cancel insurance requirements.

IN BRIEF

o *Jordan Phosphate Mines Company (JPMC)* has reverted to its initial decision to buy two electric draglines direct, rather than on a supply-and-operate basis (MEED 1:2:86). Bids received from several foreign firms in November will now be reconsidered (MEED 9:11:85). The company recently signed a 10-year supply agreement with Thailand for 650,000 tonnes of phosphate a year. JPMC is to take a 10 per cent, \$ 90 million stake in the new *Thai Fertiliser Corporation*, which is building Thailand's first, \$ 480 million fertiliser works. It is JPMC's first arrangement of this kind, although it is involved in financing modifications to a Yugoslav plant to enable it to take Jordanian phosphate rock (MEED 14:12:85).

o A documentary on Islam, for distribution in Europe, the US and the Middle East, is planned by *Jordan Company for Television, Radio & Cinema Production*. The company, which is owned 51 per cent by the government, opened its \$ 17 million studio in November 1985 (MEED 16:11:85).

o Melbourne-based *Australian International Products (AIP)* is organising the Jordan-Australia trade fair in Amman from 5-10 July. It will be sponsored by *Alia*, the