

awarded, a Canadian government official says. Although the grant is not conditional on the award of contracts to Canadian companies, Ottawa hopes it will pave the way.

In the past five years, companies from 15 countries have carried out nine separate metro studies.

Canada is also trying to win work on *Turkish Railways' (TCDD's)* modernisation programme. The expansion, part of the 10-year transport masterplan, began in 1982. Of particular interest, says the official, are schemes to build the next stage of the Istanbul to Ankara railway, and to electrify the eastern half of the rail system.

IMF may demand tougher measures

Talks between the government and the latest IMF team to visit, headed by Turkey desk chief Geoffrey Tyler, are proving unexpectedly difficult, according to diplomats in Ankara. The fund is said to be unhappy with the economy's recent performance, and believes corrective measures should be applied.

One area of concern is thought to centre on the growing budget deficit. This is partly the result of falling income tax revenues: in 1980, they accounted for 41.4 per cent of total government revenues; in 1984, the share fell to 37 per cent. The IMF is reported to have asked the government to slow down tax reductions, and to find fresh ways of boosting tax revenues.

Civil servants and other wage-earners accounted for more than half total 1984 income tax revenues of TL 1,110,000 million (\$2,280 million) — their contributions reached TL 780,000 million (\$1,600 million) — but most other social groups avoided paying their full share. The IMF believes tax revenues are not keeping pace with changes in national income.

The fund's demands may well go beyond changes and improvements to the tax regime, the diplomats say. It may urge a reduction in the planned 5.5 per cent growth in gross national product (GNP) in 1985, as well as calling for drastic cutbacks on large projects.

impound 3.8 million cubic metres of water, is to be built near the southeastern town of Gaziantep. The six bidders are: *Bahattin Goren, Saray Insaat & Nakliyat, Kiska Holding, Ziya Carmikli, Nafiz Yurekli General Construction Company* and *Cemil Ozgur*. Seven companies have also prequalified for construction of the Ozluce dam and power station near Bingol, in the east. The seven, with their offers of guaranteed foreign credit, are: *Ozaltin* (\$71.6 million), *Bahattin Goren* (\$56.7 million), *Dogus Insaat & Ticaret* (\$32.8 million), *Nurul Insaat & Ticaret* (\$16.2 million), *Ozdemir Insaat* (\$4.3 million) and *Sezai Turkes-Feyzi Akkaya Insaat* (\$6.9 million).

• Contractors working in Libya are advocating that about \$300 million worth of outstanding payments should be partially paid off by a refinancing deal arranged by the *Libyan Arab Foreign Bank* and involving a syndication of 12-16 banks. Libyan debts to Turkish contractors in 1984 are estimated at \$500 million-700 million. According to the scheme, which has been submitted to the Turco-Libyan joint economic commission, the syndicate would take over the risk of letters of guarantee received by Turkish firms. Unsuccessful attempts were made in 1984 to settle the problem of Libyan debts (MEED 21:9:84; 7:9:84).