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TURKEY

National telecomms contract let

Canada's ***Northern Telecom International (NTI)*** has a contract valued at more than $Can 300 million ($243.4 million) for digital telecommunications systems. The five-year contract, which involves some local manufacture of equipment, is conditional on approval of Canadian export financing. NTI, which has worked in Turkey since 1967, won the job in direct negotiation.

NTI is to supply three complete DMS-100 large local telephone switching systems and two DMS-200 large long-distance switches. Delivery will begin in 1984. The expanded, modernised system will serve 70,000 telephone lines and 44,000 long-distance circuits. Client is the posts and telecommunications authority (PTT).

At a later stage, NTI will supply parts for 2 million equivalent lines of DMS-100, DMS-200 and DMS-100/200 local and long-distance switching systems.

In addition, NTI has signed a licence agreement with the local ***Northern Electric Telekomunikasyon*** – in which it has a 31 per cent stake – to allow the latter to make NTI's DMS for the home market and export.

Local group bids low for dam

A local group is low bidder for the Ataturk dam civils contract. ***Palet, Seri Insaat*** and ***Enerji Su*** have bid $458 million, in close competition with five other groups. Bidding is described as tight – three of the offers are below $500 million (MEED 3:7:83). All the bidders are Turkish, with the exception of the US' ***Bechtel Corporation,*** which is bidding with ***Enka.***

The contract calls for construction of an 83 million-cubic-metre rock-fill and earth dam, a power house, a power intake structure and a concrete spillway. Construction will take 10 years, with most of the work completed in six. A separate contract, to be let later, will call for the supply of eight by 300-MW power units.

As the only overseas bidder, Bechtel was obliged to offer financial proposals for part of the project's foreign exchange component. Its offer, with Enka, was about $80 million – representing 40 per cent of the exchange requirement.

Award of the contract is now due in late September; it was originally scheduled for August.

Transturk rescue agreed by banks

Troubled ***Transturk Holding*** has reached agreement with five banks on financing the group's consolidated debt. The banks have agreed to finance part of the TL 27,800 million ($119.5 million) originally requested by the Finance Ministry. They refused to finance Transturk subsidiary ***Meban's*** TL 8,700 million ($37.4 million) debt to the securities risk fund, and a TL 3,700 million ($16 million) injection of funds to the group, the Ankara weekly Briefing reports.

The banks – part of an original group of 13 creditors – are ***Akbank, Yapi Kredi Bankasi, Pamukbank, Interbank*** and ***Garanti Bankasi.*** Repayments are over six years at 30 per cent annual interest, with two years' grace.

Transturk ran into difficulties when the securities house ***Meban,*** in which the group had a majority holding, collapsed in July 1982 (MEED 29:7:83; 15:7:83).

Trade figures make gloomy reading

The trade gap is widening, inflation is rising and the debt service ratio looks set to increase. This is the depressing conclusion to be drawn from the recent publication of several economic indicators.

According to government statistics, the visible trade deficit totalled $1,776 million in January-June, 5.5 per cent more than in the corresponding period of 1982. Exports grew by only 5.3 per cent in the six months, to $2,674 million, and imports by 5.4 per cent to $4,450 million. The gloomy export performance – exports increased by 22.2 per cent in the whole of 1982 and by 61.6 per cent in 1981 – has been blamed on deterioration in the economies of Turkey's major trading partners, Libya, Iraq and Egypt. All have halved their imports from Turkey of major items such as tobacco, cement and cotton. The results indicate that Turkey is failing to meet its 1983 trade targets; while imports are broadly in line with the $9,000 million set, only 38 per cent of the export target has been met.

And between January and July, wholesale prices rose by 19.1 per cent, compared with 14.2 per cent in the corresponding period of 1982. The cost of living in the year to July, based on Ankara and Istanbul indexes, increased by just above 28 per cent.

In the longer term, according to the latest International Monetary Fund (IMF) survey, Turkey faces an increase in debt service payments. The debt service ratio is expected to rise by 2 percentage points to 27 per cent in 1985 as maturities are reached on the 1978-80 rescheduling agreements.

However, the IMF has identified three areas where the government is moving to meet the challenges of the next few years. First, it is trying to diversify exports and reduce dependence on energy imports; second, it is attempting to strengthen economic efficiency by reforms of the banks and the state economic enterprises (SEEs), and third, it is making progress on trade liberalisation. The government intends to shift gradually from reliance on import licensing to a system of customs tariffs, and to rationalise the existing tariff structure.

IN BRIEF

o A Turkish-controlled company has acquired a majority shareholding in UK clothes manufacturer ***Harold Ingram.*** Liechtenstein-registered ***Wasskon Establishment,*** controlled by local businessmen Mehmet Tecimer and Yalcin Akcay, has bought 1.69 million £0.65 ($0.97) shares, giving it a 52.26 per cent controlling stake in Ingram. It plans to make a cash offer for the remaining shares.

o Tenders are expected soon for handling equipment at three ports. The General Directorate of Harbour Construction is initially to call bids for equipment at Izmir, Trabzon and Samsun. Izmir requires two 53-tonne container cranes, seven 10-tonne portal cranes and four five-tonne portal cranes. The foreign exchange component is estimated at $11.1 million. Trabzon and Samsun each require one 30-tonne portal crane, two 10-tonne portal cranes and one five-tonne portal crane. The foreign exchange component in each case is put at $2.3