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Iraq barter oil for contracts

IRAQ has offered petroleum, crude oil and sulphur to India to a value of an estimated \$150 million due in 1984 against all Indian construction and other contracts in the country. It is believed that some 68 Indian companies were awarded contracts valued at \$2.65 billion in Iraq during the Middle East boom.

Water project for Egypt's canal cities

PORT SAID, Ismailia and Suez are to have increased water supply and improved wastewater disposal facilities funded largely by USAID. Joint venture contracts have been awarded to Metcalf & Eddy, Boston; Hazan & Sawyer, New York; and Pirnie-Harris International, White Plains, NY. The three are working as Canal Cities Consultants in association with two Egyptian firms, PACER and MECO.

Canal Cities Consultants has already completed a first phase design programme, and will oversee rehabilitation of the existing wastewater collection and pumping systems and expansion of these facilities to accommodate rapid population growth. The water supply contract involves upgrading the existing treatment systems, strengthening distribution systems, and expansion of both. The joint venture fee for services during construction total approximately \$7.4 million plus E£2.3 million. First phase should be completed by 1986.

Canal Cities Consultants is providing construction management, advice on contractor selection, training facilities for local inspection personnel, and management of start-up. Egyptian contractors have been awarded the water supply construction jobs; Egyptian and American contractors will build the wastewater facilities.

Saudi Arabia seeks more joint venture investment

SAUDI ARABIA may ask foreign companies to invest as much as 35 per cent of the total value of their local contracts in joint ventures in the Kingdom. Commerce Minister Suleiman Abdulaziz Al Salim told the London-based *Al Sharq Al Awsat* daily, that firms winning major contracts in Saudi Arabia could

Another luxury hotel for downtown Cairo



A NEW \$70 million five-star hotel, the El Gezira Sheraton, has been completed by United Construction Allam Cementation, an Egyptian joint venture company incorporating

Cementation International Holdings (UK), Hassan Mohamed Allam & Sons and the Allied Arab Investment Co. The client is Misr Iran Hotels Co which owns other prestigious hotels.

be asked to invest in projects which would help achieve greater self-sufficiency to meet strategic needs.

Companies competing for the \$8.9 billion contract to build control and communications equipment for Airborne Warning and Control Systems (AWAC) planes could be the first foreign firm to be asked to invest in joint ventures. The AWACS are on a loan to the Kingdom until delivery is made of the planes Saudi Arabia has purchased. Robert Neumann, co-chairman of the US Round Table Business Group said during a visit to Riyadh earlier this year that Saudi Arabia was considering such a move.

Kuwait to Oman highway project agreed

A PROJECT to upgrade 2,000 km of roads between Kuwait and Muscat, Oman, was agreed in principle by the transport and communications ministers of the Gulf Co-operation Council at their meeting in Riyadh earlier this year. If implemented, it will be the biggest road project ever in the Gulf and perhaps in the world. "It can easily be compared to the Amazon forest highway in length and implications", said an expert working with the Saudi-Danish consultants. "The value of the project could run into billions of dollars." The road will be either of four lanes or six, depending on the flow of traffic anticipated. A road already exists along the

route so that bulk of the work will consist of upgrading the link rather than constructing new sections. The existing road will be improved to meet approved international standards on width, construction of hard shoulders, flyovers and any other intersections. Standard headroom between flyovers and the road will be laid down and only vehicles meeting all safety regulations will be allowed.

The ministers also proposed that a network of new roads be constructed to link up with the expressway. But road building in the Gulf is notoriously expensive. In 1973 a West German firm Strabag built about 130 km of

roads in Oman for a reported sum of \$29 million. In 1981 an outer by-pass for Kuwait City cost about \$120 million, while Bahrain has invested \$172.4 million in a 1982 project to upgrade and enlarge the existing network on the island. Inflationary pressures could add at least 25 per cent to the 1980 figures.

Dubai firm bids for West Germany's Hanomag company

THE DUBAI-BASED Arabian General Investment Corporation, Agico, is among bidders for Hanomag, West Germany's oldest manufacturer of earthmoving equipment, according to Emirates News Agency WAM.

Hanomag ran into problems following the bankruptcy of its parent company IBH Holdings last November. A March 31st deadline was set for the submission of bids, but Agico general manager Radwan Termanini was quoted as saying that his company had asked for a one month extension of the deadline, to permit final formulation of a joint bid for the company in association with General Motors.

Agico, a Pan-Arab company initially promoted by the General Union of Arab Chambers of Commerce, Industry and Agriculture, was founded in 1979, with an authorised capital of just over \$191 million. Its investment strategy, according to Termanini is "to mobilise Arab private savings and channel them into long term direct investment."

Big cement surplus will eliminate UAE imports

CEMENT PRODUCTION capacity in the United Arab Emirates has risen from 250,000 tonnes per year in 1975 to eight million tonnes per year in 1983 according to Ahmed al Tayer Minister of State for Finance and Industry.

Speaking after a meeting with the directors of the UAE's cement factories, al Tayer said that local demand amounted to around 2.5 million tonnes a year, leaving a surplus of 5.5 million tonnes for export.

The meeting, also attended by representatives of the UAE Federation of Chambers of Commerce and Industry, was called in part to discuss marketing problems facing the factories. Although some have been able to find small markets

elsewhere in the Gulf, most are working well under capacity. The recent boost in government spending within the Emirates will provide some stimulus to local demand, but there are few signs of a major upturn within the Gulf as a whole, which is not expected to occur until reconstruction begins in Iran and Iraq after the eventual ending of the four year old Gulf War.

Al Tayer was also quoted by the official Emirates News Agency, WAM, as saying that the UAE's self-sufficiency in cement production, and the consequent elimination of imports, had cut building costs by around twenty per cent.

Cement aluminium and petrochemicals have been identified by the six members of the Gulf Co-Operation Council as priority targets for the development of regional economic integration.