

ported to have had a
resident Saddam Hussain
said to have dealt with
reconciliation in the
nmit conference (see

Investment code

proved the revised
investment code aimed at
and opening up the
areas. The proposals,
Bank support, have still
parliament, but are
the law without
e.

Investment laws of 1972
ens benefits offered to
s that set up on an
ED 7:2:87). President
30 April cabinet
trial investment should
s and technology
te jobs.

ies procedures for
g up locally. Until now,
en administered by
tion des

However, the country's
investments will now be
companies seeking
y investing in less
of the country, director Ali
ent interview.

advantage is its large
added. European
d consider
cally because "Tunisia is
duction. . . of top

Anger International Services

provide drilling services,
and technical assistance, to
Henne de Forge, the state oil
contract is financed by a
60,000) line of credit provided
ed Export Development
Canadian International
ncy (CIDA) is providing a
10,000) grant to back the sale.
company **Societe Industrielle
rique & d'Engrais (SIAPE)**
tional companies to bid for a
two 35-tonne-an-hour
s for triple superphosphate
fers must be in by 20 June.

ights organisation has been
nment. L'Association de
s de l'Homme & des Libertes
d by Dhaoui Hannabli, has
after arguments between the
existing human rights
gue Tunisienne pour la
s de l'Homme, whose leader,
was detained on 28 April.

nts have been charged with
ro-Iranian Islamic

fundamentalists. The government is reported to
be investigating whether the gifts were
charitable or politically motivated. The
individuals, who were arrested on 2 May, have
not been named. The detentions follow 23 April
demonstrations in central Tunis against the
arrest of radical Islamic leader Rachid
Ghannouchi (MEED 2:5:87).

TURKEY

Privatisation moves welcomed

The private sector has generally welcomed the
privatisation programme announced
by the government on 4 May. Plans call,
initially, for the sale of the government's
minority stake in 22 private companies,
and then for the sale of state economic
enterprises (SEEs). International bankers
also welcome the move. "It is a thoughtful
and cautious approach," says one London
merchant banker.

The 22 private companies include Turkish
household names such as white goods
producer **Arcelik**, and **Tofas**, which makes
Fiat cars under licence. Other companies
on the privatisation list are **Turk Kablo** and
iron and steel manufacturer **Eregli**. Shares
of companies already listed on the Istanbul
stock exchange will be sold off first through
the exchange, which was revived in 1986
(MEED 18:4:87). Fahir Ikel, chairman of
Koc Holding — the country's largest
industrial conglomerate, and the parent of
Arcelik and Tofas — agrees with this course
of action. "But," he warns, "the government
shouldn't swamp purchasing power on the
exchange."

Of the SEEs, petrochemicals producer
Petkim seems likely to be one of the first to
be privatised. Its ownership is to be
transferred soon to the Public
Participations Fund, as the first stage in the
legal process laid out for privatisation. The
decision to include Petkim on the list has
surprised some observers, as the firm was
struggling in 1986.

Other SEE candidates look more sellable,
observers add. Front-runners include
airport services company **Usas** and five
cement works owned by **Citosan**. Later
candidates may include the **Turban** group,
a hotel chain owned by **Turizm Bankasi**
(Tourism Bank), and parts of textiles and
ceramics producer **Sumerbank**. Both
corporations are being studied by the US'
Lazard Freres.

The government recently said it planned
to hive off its shares in two joint-venture
telecommunications companies, **Netas**
and **Teletas**. The foreign partner in Netas is
Canada's **Northern Telecom** and in
Teletas Belgium's **Bell Telephone
Manufacturing Company**, a subsidiary of
the US' **ITT**.

A note of caution has been voiced by
Bahri Ersoz, chairman of metalworking
companies' association MESS, and

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managing director of copper products
maker **Rabak**. He says the market for a
sweeping privatisation of SEEs may not yet
be right, and interest rates should come
down further to make the return on shares
more attractive.

The government appears to be following
the broad outlines of a privatisation
masterplan completed in 1986 by the US'
Morgan Guaranty Trust Company (MEED
14:6:86). It found that many parts of the
SEE sector were efficiently run — contrary to
the impression given in the past.

There has been little criticism of the move
from the opposition, on the left or right.
Observers in Ankara say the True Path
Party and the Social Democratic Populist
Party have little to offer in the way of
alternatives.

Agricultural reform package unveiled

Agricultural reforms costing about
TL 300,000 million (\$375 million) a year
have been announced by Prime Minister
Turgut Ozal. The package, which was
released on 3 May, aims to expand farm
production ahead of Turkey's proposed full
membership of the EEC (MEED 18:4:87;
11:4:87, page 8).

About 1.5 million farmers, mainly small
scale, will benefit from the scheme, Ozal
says. Wheat and sugar beet growers will
get special aid. Ozal denies the package
has been introduced as an electoral move,
paving the way for an early general
election before the government's term of
office expires in November 1988. He says
state support for agriculture already costs
about TL 700,000 million (\$875 million)
annually.

The package means:

□ farmers will receive credits at interest
rates of 22 per cent for their annual
expenditure, compared with present
commercial rates of about 70 per cent. The
cost to the state will be roughly TL 150,000
million-200,000 million (\$188 million-250
million) a year

□ the state will subsidise 20 per cent of
farmers' insecticide and livestock
medicine costs

□ 30,000 high-yield dairy cows will be
imported from the US and Europe, and
sold at subsidised prices to farmers
□ dairy farmers will receive incentive
premiums for milk production; an existing
subsidy on commercial animal feed will be
raised to 25 per cent, from 20 per cent.

Most of the subsidies will be funded by
levies on luxury goods and food imports,
Ozal says. State-owned **Ziraat Bankasi**
(Agriculture Bank) and agricultural co-
operatives will provide the credits; if their
resources are insufficient, costs will be met
direct from the budget.

"Turkish agriculture will be adversely
affected by common market agricultural
policy until Turkey enters the EEC," Ozal
says. "Therefore, we should take measures

now. Turkey will enter the EEC
agriculture powerful and un

UK firm set for mine

The favourite to win a design
coal mine at Gelik, in the Zonguldak
the Black Sea coast, is **British
Consultants**. The mine's total cost is
between £60 million-100 million-160 million), depends on the
method of access to the seam.
The client, **Turkish Hard Coal
(TTK)**, has set an eight to nine year
timetable for the study.

The seams at Gelik are steeply folded
and, like others in the Zonguldak region,
present severe geological problems.
of the UK firms' tasks will be to determine
whether access to a depth of 1,000
metres should be achieved by sinking a
new shaft or via nearby existing shafts.
The study will also examine the
proportion of reserves — which is estimated
than 100 million tonnes — that can be
economically.

The country's hard coal reserves are
concentrated around Zonguldak, where
estimated at 1,000 million tonnes. In 1985
reached 7.2 million tonnes. The mine's
annual production will be about 1.5
than 500,000 tonnes.

IN BRIEF

● **American Motors Corporation**
has signed a licensing agreement with

Disil & Ticaret for the local production
distribution of up to 4,000 jeep kits.
jeeps, assembled from imported parts,
include about 25 per cent of Turkish
parts. AMC says Hema will pay \$10,000
8,000 for each kit, with prices for locally
made content of each kit. Production is to
start in 1988; 2,000 vehicles will be produced
year of operation.

● Belgium's **Cockerill Mechanical
(CMI)** has a BF 900 million (\$250 million)
contract to supply boilers to the combined
cycle power station. The order was placed
by the main consortium of the local **Enka**
Germany's **Brown, Boveri & Cie**, which
is doubling the plant's size to 1,200 MW.

● The US' **Middle East Company**
Neste have received an oil exploration
for 260,000 hectares in the south of Turkey.
brings to around 15 the number of licences
with exploration licences. State-owned
Petroleum Company (TPAO) is the
concessionary in Turkey, exploring 7.5
million hectares.

● A group of five foreign banks
mandated by **Turkiye Is Bankasi** to
\$150 million short-term, pre-emptive
financing facility. They are **Barclays
Company**, **Morgan Guaranty Trust
Bank of Tokyo**, **Gulf International Bank**
and **Kuwait Foreign Trading Company** (KFTC).

● Iraq's second export pipeline for
transporting oil in the autumn. The
Berkkam, head of state pipeline, will
Oil will be pumped into the SC