

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

Investment code

proved the revised
nt code aimed at
and opening up the
reas. The proposals,
Bank support, have still
parliament, but are
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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
e jobs.

es procedures for
g up locally. Until now,
en administered by
tion des
However, the agency's
investments will now be
companies seeking
y investing in less
of the country, director Ali
ent interview.

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

Anger International Services

provide drilling services,
and technical assistance, to
ienne de Forage, the state oil
contract is financed by a
\$10,000) 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)
ional 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 Ilkel, 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

NEWS

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 E
agriculture powerful and ur

UK firm set for mine

The favourite to win a design
coal mine at Gelik, in the Z
the Black Sea coast, is **Briti**
Consultants. The mine's to
is between £60 million-100
million-160 million), depen
method of access to the se
The client, **Turkish Hard C**
(TTK), has set an eight to ni
timetable for the study.

The seams at Gelik are ste
and, like others in the Zong
present severe geological
of the UK firms' tasks will be
whether access to a depth
metres should be achieved
new shaft or via nearby exi
The study will also examine
proportion of reserves — w
than 100 million tonnes — c
economically.

The country's hard coal re
concentrated around Zong
estimated at 1,000 million t
1985 reached 7.2 million to
mine's annual production v
than 500,000 tonnes.

IN BRIEF

● **American Motors Corpora**
has signed a licensing agree
Disil & Ticaret for the local pr
distribution of up to 4,000 jeep
jeeps, assembled from import
include about 25 per cent of T
parts. AMC says Hema will pa
8,000 for each kit, with prices
locally made content of each
Production is to start in 1988;
2,000 vehicles will be product
year of operation.

● Belgium's **Cockerill Mecha**
(CMI) has a BF 900 million (\$2
contract to supply boilers to th
combined cycle power station
order was placed by the main
consortium of the local **Enka**
Germany's **Brown, Boveri &**
which is doubling the plant's s
1,200 MW.

● The US' **Middle East Comp**
Neste have received an oil ex
for 260,000 hectares in the so
brings to around 15 the numb
with exploration licences. Sta
Petroleum Company (TPAO)
concessionary in Turkey, exp
7.5 million hectares.

● A group of five foreign ban
mandated by **Turkiye Is Ban**
\$150 million short-term, pre-e
financing facility. They are **Ba**
Company, Morgan Guarant
Bank of Tokyo, Gulf Intern
and **Kuwait Foreign Trading**
Investment Company (KFTC)

● Iraq's second export pipel
transporting oil in the autumn
Berkkam, head of state pipeli
Oil will be pumped into the 50