

The biggest importers include tyre-makers **Lastik Yazd** and **Lastik Sirjan**, which together accounted for \$127 million; **Khorassan Cement** and **Hormozgan Cement** (a combined \$91 million); various textile plants (\$70 million), and four pharmaceutical factories (\$47 million). These and the other new projects will require an additional IR 112,000 million (\$1,500 million) in local currency.

Italy probes mines deal

Italy is investigating claims that **Valsella Meccanotecnica** supplied Iran with 1 million mines between 1981-84. The company has not commented on the report, which appeared in the Paris weekly *L'Evenement du Jeudi*. However, some company officials are quoted as saying the mines may have gone to Iraq.

The bulk of the order was for anti-tank and other land mines, but included sea mines that may now be being used in the Gulf. The deliveries would not have broken Italian law, which did not forbid weapons supplies to the Gulf war belligerents until 1984, but the report has embarrassed the Italian government. Italy is under pressure to send minesweepers to the Gulf.

Valsella is said to have used explosives manufactured by Sweden's **Bofors**, which is also under investigation for alleged illegal weapons supplies to Iran. The quantities involved were so large that Bofors subcontracted some work to France's **Societe Nationale des Poudres & Explosifs**, the weekly says.

IN BRIEF

● Oil exports may have risen to nearly 2 million barrels a day (b/d) in recent months, traders say. Iran has an OPEC export quota of nearly 1.7 million b/d, but may have exceeded it to take advantage of a lull in Iraqi attacks against tankers. The quota applies to average exports during any given three-month period. In Tehran, the Oil Ministry says recent production has been consistently above the OPEC-set output level of nearly 2.4 million b/d, but that Iran is not exceeding its export quota.

● Iran is the top importer of Thai rice so far in 1987, official figures from Bangkok show. Shipments total 337,630 tonnes.

● Minerals exports — including concentrated lead and zinc, and copper — earned \$15.5 million in the first quarter of the Iranian year started 21 March.

● The Committee for Promotion of Non-Oil Exports has lifted tariffs on overseas sales of fruit, vegetables and some other goods. In a meeting chaired by Prime Minister Hossain Moussavi, the committee agreed various other measures to help to promote exports, such as easing the rules governing local firms' participation in international tenders.

● Trade with Spain totalled \$584 million in 1986, down on the 1985 level because of lower oil prices. The value of Iran's non-oil exports rose to \$12 million, from \$2.7 million. Spain supplied \$173 million worth of goods, mostly iron and steel.

● Iran and Afghanistan have accused each other of border attacks in which several Iranians were killed and four Afghan soldiers injured. Afghanistan has lodged a strong protest; Iran has demanded compensation.

● Mehdi Hashemi, former head of the Islamic Liberation Organisations Bureau of the Islamic Revolutionary Guards Corps (IRGC), went on trial on 13 August charged with murder, kidnapping and attempting to overthrow the Islamic republic. Hashemi, who was arrested in October 1986, is the brother of the son-in-law of Ayatollah Hossain Ali Montazeri, Imam Khomeini's designated successor. Montazeri disowned Hashemi in early 1987.

IRAQ

Soviets seek suppliers for West Qurna oil field

Bids for a series of packages to supply equipment for the West Qurna oil field are due in by the end of August. Tenders were invited by the Soviet Union's **Technoexport**, the main contractor. The final development contract with **Iraqi Oil Projects Company (SCOP)** was signed by Technoexport during the Soviet-Iraqi joint economic commission meeting in July (MEED 1:8:87; 11:7:87).

The scope of work to be done by Technoexport is unclear, but it is believed to include well drilling, plus installation of degassing stations, and pumping, pipeline and storage facilities.

Agreement to develop the field was reached as far back as 1982, when a contract to bore holes and set up oil gathering centres, and oil and gas pipelines was signed. In September 1985, an agreement to drill wells was signed with Technoexport (MEED 28:9:85).

The latest packages are thought to include tenders for two compressor stations — six are expected to be installed — telemetry and pipe. Some reports suggest a total 300 kilometres of pipe will be needed, and put the total cost of this stage of development at up to \$150 million.

Invitations to bid were issued to a shortlist of companies drawn up by Technoexport in the course of inviting similar proposals in the past three or four years.

Subcontractors must arrange their own financing. As main contractor, Technoexport is funded according to the terms of a \$2,000 million financial protocol finalised with Moscow in May 1986 (MEED 21:6:86, page 18; 31:5:86).

Early Soviet press reports described the West Qurna field as "huge": production capacity is estimated to be at least 500,000 barrels a day (b/d). Reports from Moscow in 1982 said the scope of development work would probably exceed that carried out by Technoexport at the North Rumaila field. This has been producing at about 500,000 b/d, and can reach 800,000 b/d.

Work was to include a \$250 million natural

gas liquids/liquefied petroleum gas (NGL/LPG) plant for West Qurna. Annual capacity is 5,400 million cubic metres of gas. The scheme was originally tendered in 1985 and has been shelved (MEED 25:1:85).

Talks have started with another Soviet contractor, **Tsvetmetpromexport (TSMPE)**, about the second stage of the trans-Iraq dry gas pipeline. This calls for a gas line from Baghdad to be extended to the border with Turkey. SCOP is understood to be keen to go ahead with the line on completion of the first stage, which TSMPE is building (MEED 23:5:87; 10:1:87).

Western subcontractors are again expected to be sought for supply of pipes, valves, compressor stations and telemetry. Contracts are expected to be finalised at the end of 1987.

IN BRIEF

● **Volkswagen do Brasil** is negotiating a contract to supply 10,000 Passat cars. The order is described as a bridging contract between the company's 1984 order to supply 100,000 vehicles and a similar size follow-up order that has been discussed for some time (MEED 27:9:86). By the end of July, Volkswagen had shipped 97,000 Passats to Iraq. Shipment of the remaining 3,000 was due to begin on 22 August.

● A ID 500,000 (\$1.6 million) lead crushing and smelting plant is due to be commissioned in Baghdad on 25 August. The project was built by local companies in two months; offers from foreign companies included a price of ID 2 million (\$6.4 million) and an 18-month construction period. **State Battery Manufacturing Enterprise** director-general Adel Abboud says in the daily Baghdad Observer. The new plant, which has a design capacity of 50 tonnes of pure lead daily, will use industrial waste and used batteries as raw material. It will help reduce lead imports, which cost around \$24 million a year. Local production meets about two-thirds of domestic demand for car batteries; by early 1988, it will supply all domestic needs, as it already does for truck and bus batteries.

● Two new joint-stock companies have been set up to replace state-run passenger transport services in the southeast. The move follows the decision to deregulate intercity bus routes (MEED 15:8:87). The **Wasit Company for Passenger Transport** has paid-up capital of ID 406,000 (\$1.3 million) held by 75 shareholders. Fifteen shareholders have set up the **Dhiqar Company for Passenger Transport**, which is capitalised at ID 850,000 (\$2.7 million).

● Public subscription to the new ID 10 million (\$32.2 million) mixed-sector **Modern Slaughterhouses Company for the Central Area** has closed almost a month early. The

● Yugoslavia's **Energoprojekt** has begun excavation and earthmoving works for the \$54 million Nasiriya lock project (MEED 8:11:86). The lock is one of the largest structures on the main outfall drain, where it crosses the Euphrates river.

● The first stage of the Tigris river link works — part of the Baghdad water supply network —

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opened on 25 July. The pipeline is one of two planned to carry water from the Karkh supply scheme. On the city's west bank, to Risafa on the east. The second line is expected to be completed soon. Contractor for the \$57 million project is a local/Indian joint venture of **State Contracting Company for Water & Sewerage Projects (SCCWASP)** and **Continental Construction**. Designs were by the UK's **Binnie & Partners** on behalf of the client, the Baghdad Water Supply Administration (MEED 27.7:85). SCCWASP is continuing with associated reservoir works and a pumping station at Saba Nissan. Opening of the Karkh water supply scheme is expected to take place during the Army Day celebrations on 6 January 1988.

● The Basra to Zubair road expansion scheme, and additional works to the road linking Saad square and Qadisiya bridge are among projects in Basra completed by voluntary work drives in the past seven months. In addition, 41 kilometres of street lighting have been installed, and some of the city's canals have been dredged and cleaned. Nearing completion are drinking water networks serving the suburbs of Khalij, Arabi, Shula and Hussain. Sewerage projects are due to be carried out in Ashar, Basra, Junaina and Khandar.

● Australia's exports to Iraq in the past five years total \$1,000 million (\$703 million), the Sydney Daily Commercial News reports. Wheat, cheese, rice, dried vegetables and lead account for the bulk of sales. In 1987, Australia expects to ship 1.2 million tonnes of wheat to Iraq.

● Around ID 1.6 million (\$5.2 million) has been allocated to building mosques in the UK, Bangladesh and Australia. At home, ID 3.8 million (\$12.3 million) is being spent on new mosques in Tikrit, Owja, Rawa and in the Mosul area, on the orders of President Saddam Hussain. Reconstruction work at Najaf has cost ID 2 million (\$6.4 million). ID 220,000 (\$709,675) has been allocated to restoring churches and convents.

● More than 4,500 projects in various sectors were completed between 4 September 1980-31 December 1986, Planning Minister Samal Majid Faraj says. Future investment plans will continue to provide for development projects, particularly in the industry and agriculture sectors.

● New products manufactured by the Mechanical Industries Department include cement mixers, heavy trucks, lawn mowers and water treatment units. Production of excavators for clearing irrigation canals has also started up. The department has been discussing potential exports with Arab and Turkish importers.

● A 450-house tourism village with cinema, theatre, swimming pool, shops and restaurants has opened at Saddam lake, which was formed by the Saddam (Mosul) dam.

● Medical technicians may now open their own laboratories, provided they remain within their specialisations, the daily Baghdad Observer reports.

● Correction: **Sterling Armaments Company** of the UK says it was not involved in selling weapons to Iraq, nor was it fined by a UK court as reported in MEED 15.8:87, page 9.

JORDAN**Profit in sight for Royal Jordanian**

National carrier **Royal Jordanian** forecasts a JD 4 million (\$11.5 million) profit for 1987, compared with last year's JD 1.8 million (\$5 million) loss. The figure includes an estimated operating profit of JD 1.3 million (\$3.7 million) on handling services for overseas airlines and the sale of a Boeing-747 to **British Caledonian**.

Passenger traffic in January-July 1987 increased slightly to 653,724, from 647,493 in the corresponding period of 1986. Of the total, Middle East traffic declined by 17.9 per cent. US traffic recovered from two poor years caused by fears of political troubles in the region to record a 13.3 per cent rise in the first seven months of the year. Far East traffic rose by 11.5 per cent.

The airline plans in 1987 to start flights to Montreal, New Delhi, Calcutta and possibly Rio de Janeiro. It hopes to add Manila, Jakarta, Australia and Borneo to its routes in 1988.

A decision on whether to buy US-made **McDonnell Douglas MD-11s** or European consortium **Airbus Industrie's A340** for the long-haul routes is expected by year end.

IN BRIEF

● Saudi Arabia has paid the second of three \$119.3 million aid instalments for 1987. The first payment was made in March. The kingdom is the only country consistently to have paid its annual share of the total \$1,250 million a year pledged to Jordan at the 1978 Baghdad Arab summit. The agreement expires in 1988.

● Employers found guilty of repeated violations of the rules governing the employment of foreign workers may be banned from employing expatriates, Labour & Social Development Minister Khalid al-Haj Hassan has warned. The ministry recently extended the list of jobs open only to nationals to include shop assistants and car wash attendants.

● The **Cities & Villages Development Bank** lent a total JD 8.8 million (\$25 million) for 262 projects in 1986. Of the total, municipal councils borrowed JD 7.1 million (\$20.5 million) and village councils the balance. The bank has lent a total JD 75.6 million (\$217 million) since it was set up in 1979. Lending to municipal councils accounts for JD 55.9 million (\$160 million) of the total.

● Iraq is to buy 4,000 tonnes of tomato paste from the local **Agricultural Marketing & Processing Company** by the end of September. The agreement includes an option on a further 1,000 tonnes.

● Two more industrial zones - at Aqaba and Sall - are being planned. Total cost is estimated at JD 6 million (\$17.5 million).

● A total 453 co-operatives had been set up by the end of 1986. They include 148 in Amman, 69 in Irbid, 42 in Maan and 36 in Madaba.

● Live sheep may be imported for breeding purposes, the Agriculture Ministry has ruled.

● The official unemployment rate of 8 per cent is expected to rise to 9.1 per cent by 1990. University and community college graduates will account for most of the rise. The **Jordan Electricity Authority (JEA)** has offered 200 places to high school graduates for a two-year course at its vocational training centres. The trainees, who will receive only pocket money, will be offered jobs with JEA when they graduate. The Vocational Training Corporation is to expand practical training opportunities for secondary school leavers and community college graduates.

KUWAIT**Eight vie for Subiya power designs**

Eight international consultants are on the shortlist for the 2,400-MW Subiya power station design contract. Terms of reference have already been issued to the companies, which are required to form associations with local consultants. Offers have also been submitted for the station's site preparation contract.

The consultancy, expected to last up to eight years, will include detailed design work, preparation of tender documents and site supervision. Offers are due in by 1 September (MEED 8:8:87). The companies are:

- West Germany: **Lahmeyer; Fichtner**
- US: **Gibbs & Hill; Charles T Main; Black & Veatch**
- Switzerland: **Motor-Columbus**
- UK: **Merz & McLellan; Kennedy & Donkin**

Eighteen local firms bid for the site preparation works (MEED 27:6:87). The three lowest are:

- Al-Fulaj Group** — KD 562,000 (\$2.0 million)
- Al-Khaled Engineering & Contracting Group** — KD 619,000 (\$2.2 million)
- Al-Marwah Trading & Contracting Company** — KD 626,000 (\$2.2 million)

The high bidder was **Burhan Kuwaiti Trading & Contracting Company**, at KD 1.1 million (\$3.8 million).

The client, the Electricity & Water Ministry, is also expected to issue a tender for site facilities; it has already awarded the soil investigation contract to Saudi Arabia's **Consulting Engineering Office**. Prequalification for turbine and boiler suppliers has also been announced.

Austrians take emergency water first phase

The first stage of Kuwait's emergency water supply project is under way with the award of the contract to supply reverse osmosis (RO) desalination units to an

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