

plans to put out to tender in 1987. None has so far been awarded. They include a \$250 million expansion at Yanbu and a \$500 million scheme at Al-Khobar (MEED 23:9:88; 1:8:87).

No funds were allocated for the projects in the 1988 budget, one observer says. It is not clear whether there will be an allocation in 1989, but contractors have not given up hope.

Locals lead on SASO lab project

The low bid for a contract to build a laboratory complex in Riyadh for the Saudi Arabian Standards Organisation (SASO) has come from the local **Saghir Trading & General Contracting Establishment**.

Seven companies submitted offers for the job. All are local, except where stated. They are:

- **Saghir** — SR 147.8 million (\$39.4 million)
- **Abdel-Aziz Zaidan & Partners** — SR 149.9 million (\$40 million)
- **Saudi Contracting & Trading Company** — SR 199.8 million (\$53.3 million)
- South Korea's **Miryung Construction Company** — SR 205.4 million (\$54.8 million)
- A firm identified as **Real Estate Company** — SR 207 million (\$55.2 million)
- **Manufacturing & Building Company** — SR 215.4 million (\$57.4 million)
- **Fast Construction Company** — SR 217.8 million (\$58.1 million).

The order is for the first phase of the laboratory complex. It calls for site preparation, landscaping and the construction of the main building. This will have four storeys and a basement, and incorporate offices, an auditorium and a library.

Designs for the complex were done by UK-based **Omrana** with technical assistance from **W S Atkins & Associates**, also of the UK (MEED 8:7:88).

Local firms bid low for Tabuk base

The SR 83 million (\$22.1 million) low bidder for operation and maintenance (O&M) of Tabuk air base is the local **Riyadh Operations & Maintenance Company**. Tabuk is the fourth of five big air base contracts to be tendered (MEED 16:9:88).

Eight other companies bid for the three-year order. They are all local, except where stated:

- **Dallah Avco** — SR 92 million (\$24.5 million)
- **Dynarabia Company** (US/local) — SR 94 million (\$25.1 million); alternative bid of SR 92 million (\$24.5 million)
- **Zamil Operations & Maintenance Company** — SR 106 million (\$28.3 million)

- SR 111 million (\$29.6 million)
- **Mawarid** — SR 116 million (\$30.9 million)
- **Safari** — SR 123 million (\$32.8 million)
- **Al-Hanouf Trading & Contracting Establishment** — SR 125 million (\$33.3 million)
- **Saudi Catering & Contracting Company** — SR 133 million (\$35.5 million).

The incumbent contractor at Tabuk is Zamil Operations, which won the SR 105 million (\$28 million) job in 1986. The company was also the low bidder, at SR 116.2 million (\$31 million), for O&M of Taif. **Saudi Operation & Maintenance Company** was the SR 123.9 million (\$33 million) low bidder for Khamis Mushait and Safari the SR 67 million (\$17.9 million) low bidder for Jeddah. Offers have yet to be invited for the Riyadh base.

IN BRIEF

● Italy's **Ente Nazionale Idrocarburi (ENI)** is negotiating the sale of part of its equity to the government, Italian press reports say. The company has declined to comment on the reports. The company has admitted having negotiations with an oil-producing country, without identifying which. "More than a year ago ENI took the decision to seek an alliance with a producing country that guaranteed us certain supplies while participating in our system of refining and distribution," ENI chairman Franco Reviglio said recently.

● The Mahtouz and Musallam families are the owners of **Ross Contracting & Trading**, the previously unknown buyer of Sweden-based **ABV Rock Group** in early 1988, according to the Swedish daily Dagens Industri. ABV Rock Group, formerly a joint venture between **ABV** and **Skanska**, is the main contractor for the estimated \$4,000 million strategic rock storage programme in the kingdom (MEED 26:8:88). A recent contract to provide consultancy services for the project was awarded to **Jacobson & Widmark**, also of Sweden.

● The tender closing date for the bio-medical maintenance contract for hospitals in the Asir, Baha and Najran regions has been put back one month to 17 October. The client is the Health Ministry.

● National carrier **Saudia** is considering introducing telephones on its aircraft, according to the official Saudi Press Agency.

● Austria's exports to the kingdom rose by 76.3 per cent to \$90 million in January-June 1988, compared with the corresponding period of 1987, according to the Federal Chamber of Commerce in Vienna. Imports from the kingdom were worth \$17 million in first-half 1988, the report says. In 1987, Austrian exports were worth \$114 million and imports \$45 million.

SUDAN

New storm over Sharia move

A political row has broken out over the government's plan to introduce a penal code based on Sharia (Islamic law). Deputies of the

Parties (USAP), stormed out of parliament when a bill was tabled on 20 September introducing the new code.

The party later issued a statement criticising the move: "Presenting the bill at this crucial stage means the government gives no priority to such matters as peace, easing economic crisis and the need to make followers of different religions co-exist peacefully." The code is intended to replace one introduced by former president Nimir five years ago. This has been virtually ignored since Nimir was overthrown in 1985.

Prime Minister Sadiq el-Mahdi has a comfortable majority in the 301-seat house. USAP says it will boycott debates about the bill. It argues that the code is unconstitutional and will drive rebels waging civil war in the mainly Christian and animist south to secede from Sudan.

The code, which stipulates capital and corporal punishment for certain classes of convicted offender, is not to be introduced in the south. However, an estimated 2.5 million non-Muslims have fled north from the war and famine, and they will not be exempt.

IN BRIEF

● Prime Minister Sadiq el-Mahdi visited Saudi Arabia on 20 September for talks with King Fahd. No details have been disclosed.

SYRIA

Oil acreage farmed out

Two international oil companies planning to start active exploration in concessions in the northeast are bringing in new equity partners. **Total (Compagnie Francaise des Petroles)** has made a farm-in agreement with the UK's **London & Scottish Marine Oil (Lasmo)**. The British firm will take a 20 per cent stake in Total's Bishri concession. The UK's **Tricentrol** — recently taken over by the US' **Atlantic Richfield Company (Arco)** — is to hand over part of its equity in the concession neighbouring Bishri to an unidentified partner. The farm-in agreements are to be submitted to the people's assembly for ratification in the coming months.

Total and Tricentrol plan to spud their first wells in early 1989. Before the Lasmo farm-in, Total held 100 per cent of the Bishri concession. Tricentrol signed its concession agreement in early 1987, with Norway's **Norsk Hydro** taking 25 per cent.

Two US firms — **Occidental Petroleum Corporation** and **Enron Corporation** — have recently signed concession agreements. Occidental's block is in the south, around Damascus; Enron is to explore in the northeast (MEED 20:5:88).

Special forces chief retires

The key military post of commander of the army's special forces has been given to the nephew of military intelligence chief Ali Duba,

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Damascus sources say. The appointment follows the retirement of Ali Haidar as special forces commander after suffering a heart attack. General Haidar has been undergoing surgery in Paris, the sources add.

The appointment of Ali Duba's nephew means the power of a core group within the Alawi minority sect has been further increased, analysts say. Duba is from the same Mutawirah clan as President Asad. Ali Haidar, whose forces have been involved in several crucial engagements to protect the regime at home and abroad, is believed to be a Shia Muslim. Prominent Alawi figures — besides members of Asad's own immediate family — include Ghazi Kenaan, chief of Syrian forces in Lebanon, and former air force intelligence commander Mohamed al-Khouli.

TUNISIA

Airline expansion takes off

National carrier Tunis Air has finally announced its order for the supply of new passenger jets. It will buy three A320s from the European consortium Airbus Industrie and two 737-500s from the US' Boeing Commercial Airplane Company (MEED 16:9:88; 9:9:88). It is understood that Tunis Air has an option to purchase five more A320s. The announcement was made during President Ben Ali's 12-14 September visit to France.

No details of financing have been revealed. Bankers suggest the airline would like to pay cash from its own resources, but the central bank favours arranging a commercial loan. Given Tunisia's much-improved credit rating, this should pose no problem.

Airline finances — and the need for expansion — have been stimulated by a sharp rise in tourist arrivals. It is now expected 3 million people will visit in 1988 compared with 1.9 million in 1987, itself a record year.

A French air charter company, Air Liberte, is to create a local subsidiary to increase charter traffic by local carriers. Air Liberte Tunisie will be 40 per cent owned by the French parent, with the remaining equity held by local private investors, including banks and hotels. Air Liberte chairman Lotfi Belhassine says flights should start next summer. The airline already has agreement in principle from President Ben Ali and the Transport Ministry.

Air Liberte started up in March 1988 and has been running flights to Tunis and Jerba among its 15 destinations. Belhassine hopes the creation of Air Liberte Tunisie will increase the market share for local carriers to 25-30 per cent from around 20 per cent. The airline plans further expansion, adding to its fleet of three 169-seat MD-83s, manufactured by the US' McDonnell Douglas Corporation. Belhassine plans to obtain a fourth MD-83

Marathon plans oilfield development

Marathon Petroleum Tunisia, the joint venture of the US' USX Corporation, will soon submit proposals for the commercial exploitation of its 2,820-square-kilometre Zarzis field (block 20). It is understood following agreement with its partners to bring the field into production will be presented to state oil company Entreprise Tunisienne d'Activites Petrolieres (ETAP) and the government. If approved could be developed for production in 1989 (MEED 9:1:88; 11:4:87).

Marathon is also evaluating the reservoir well — Robbana no 1 — drilled in its 100-square-kilometre Gabes-Jerba-Ben Gardane concession (block 5). This year it produced 817 barrels a day of crude and 83,400 cubic feet of gas during recent testing. This is being evaluated and may be followed by further drilling. Agreement has yet to be given to the other partners in the concession — British Petroleum, the US' Enserch, Tunisia, Sweden's Svenska Massan, Stiftelse and the Netherlands' Oranje Nassau Hammamet (MEED 20:2:88).

No further drilling is expected in either concession, or in Marathon's third concession — Gabes Sud Ouest (block 10) — in 1988. The US firm is proposing more activity in 1989.

IN BRIEF

● The Rome-based International Fund for Agricultural Development (IFAD) on 16 September approved a \$12 million loan for a local/Algerian Mellegue integrated rural development project (MEED 13:2:88).

● Leading members of the illegal Mouvement de Tendance Islamique (MTI) have returned from exile only to be given five-year prison sentences for membership of an unauthorised organisation (MEED 9:8:88). They include secretary-general Abdelfatah Mourou, who arrived on 16 September. On 20 September 12 alleged MTI members, including Mourou and senior officials Hamadi Jebali and Hamid el-Hachmi, were sentenced by the Tunisian court of appeal, but then freed. The move revived fears — largely dormant since President Ben Ali's takeover — of tensions with Islamic groups. MTI sources say they were shocked at the announcement, having been promised their return would be a formality. Tunis observers say the sentences may be counterbalanced by further conciliatory moves, including an amnesty and a possible name change for the MTI before its registration as a legal party. A step towards this was the 17 September authorisation of a student union — Union Generale Tunisienne des Etudiants (UGTE) — which is close to the MTI.

● Senior Libyan aide Abdel-Salem Jalloud arrived in Tunis on 18 September at the invitation of President Ben Ali. Tunis observers suggest the government views Jalloud as an important Libyan voice opposed to rapprochement. The two countries' citizens will get identity cards for entry from 7 November and will jointly exploit offshore oil fields (MEED 13:2:88).

in Berlin from 27-29 September, he says the biggest problem is the lira's rapid depreciation against the dollar. This effectively increases external debts in domestic terms, as the lira is dollar-based. A rapid rise in external debt is another danger. The report says that one of the bank's largest borrowers is Vakiflar Bankasi, which ended on 30 June, with a loss of \$10 million in loans.

Vakiflar Bankasi has set up a new investment fund, Vakifon-2, which will be presented to state oil company Entreprise Tunisienne d'Activites Petrolieres (ETAP) and the government. It has also founded a leasing company in Istanbul, Vakif-2.

communications manufacturer Teletas has signed an agreement with Iranian interests to co-operate in the development and marketing of electronic communications equipment. Teletas is to invest \$7 million in the initial phase, and \$7 million-8 million the following year. A bilateral investment protection agreement was signed with Austria. A double taxation agreement is also under negotiation.

A \$300 million second monetary stabilisation programme loan was signed in Tunis on 20 September. It involves the World Bank and 18 financial institutions (MEED 13:2:88).

Over 51,000 Kurds have fled to Turkey since the start of the year, a UN official in Geneva said on 20 September. The figure is considerably lower than estimates from observers, who put the total at 100,000-plus. The new figure was provided by the UN High Commissioner for Refugees (HCR). It had been investigating the status of Kurds in Turkey from 9-18 September.

A new economic co-operation agreement between Tunisia and Libya was signed on 18 September. It covers expanding and settling payment balances.

Over 130,000 Turkish miners, local council members and employees on US bases plan to go back to Turkey to demand pay. About 14,000 workers in the printing and paper industries are already striking. Wages have risen by up to 260 per cent to help combat inflation, which was running at an annualised rate of 78 per cent in August (MEED 13:2:88).

AE

Local companies line up for Ain sewer contract

Local companies have offered up to Dh 33 million (\$9.1 million) for the latest contract in the Al-Ain sewerage scheme. The bidders presented two options, quoting prices for the use of ductile iron pipes (a), or an alternative of glass reinforced plastic (GRP) pipes (b). The bidders were:

Bin Ham Establishment — a) Dh 23.5 million (\$6.4 million); b) Dh 23.3 million (\$6.3 million)

Cordoba Development Corporation — a) Dh 24.7 million (\$6.7 million); b) Dh 24.7 million (\$6.7 million)

Al-Ojan — a) Dh 30.5 million (\$8.4 million); b) Dh 30.9 million (\$8.4 million)

Development Enterprise — a) Dh 30 million (\$9 million); b) Dh 30 million (\$9 million)

The latest tender — M21 for the laying of main drains in the Al-Ain. Further bids were received in September for contract M21 for installing drains in the remaining districts. Contractors are being invited to offer for the use of GRP to promote orders for Abu I Factory. The factory, set at Dh 72 million (\$19.6 million) by France's Cord International, is to be taken over by the government-owned Industry Corporation (MEED 5:3:88).

Sewerage projects using GRP pipe in preference to concrete pipe, which has to be imported. The authorities have invited bids for M28E, for which bids were received six months ago. These bids were by the project consultant D Balfour & Sons, and passed to the executive who retains final authority for the scheme — to lay drains in the local district — is the local O Company at Dh 52.9 million (\$14.4 million) (MEED 6:5:88).

Development Enterprise on two contracts worth a total of Dh 64.3 million (\$17.6 million) recently. The two main contracts are to four the number of construction of the main sewerage and treatment plant in the district (MEED 19:3:88).

The next tender under M30B. This will entail the construction of a park complex. Although in an early stage, the final contract for a pumping station for the district, observers say.

Bids called for

Abu Dhabi municipality has invited bids on 10 October for construction of a 10-km highway on the recently upgraded highway. Local observers say it is a medium-size project at about Dh 50 million (\$13.6 million) and was prompted by a decision in 1988.

The two bridges over the Masheeq, where there is a problem by floodwater, will be constructed by Italconsult, which has been in charge of construction supervision.

The upgrading of the highway was recently completed. Contractor for the Faqaa section was