

and CCC were awarded a \$9 million contract to lay a 50-kilometre section of the line north of Riyadh, and Saipem was awarded a \$23 million contract for a 126-kilometre section. Both groups have been working on the contract to loop the east-west crude oil pipeline.

IN BRIEF

● Agreement has still not been reached on **Rafidain Bank's** request to defer payments on its \$500 million 1983 Euroloan (MEED 15:11:86). Banks involved in the syndicate are awaiting Rafidain's response to their counter-proposals, and hope to see more movement in the next two weeks. "The gap between the two sides is narrow, but needs to be discussed further," says one banker involved in the negotiations.

● The 1987 budget will lay special emphasis on promoting economic potential, accelerating growth rates and strengthening the development process, says Finance Minister Hisham Hasan Tawfiq. Oil revenues play a key role in funding development plans, but there is a need to diversify sources of revenue since dependence on a single source would undermine the capacity to cope with crisis, says Tawfiq. No spending figures were mentioned by Tawfiq, who was interviewed by the OPEC News Agency (OPECNA).

● The **State Organisation for Gas** has been set up to promote the sector's development. The establishment of such a body was made necessary by the completion of several gas exploitation and industrialisation projects, says Oil Minister Qassem Ahmad Taqi al-Uraibi. Further large-scale expansion of the sector is proposed in the national five-year plan and the ministry's strategic plans, Al-Uraibi says.

● Yugoslavia's **Metalna** has a \$55 million subcontract to supply 27,000 tonnes of equipment for Bekme hydroelectric power station. Work will begin in January, for completion in five years. Main contractors for the scheme are Turkey's **Enka** and Yugoslavia's **Hidrogradnja**, which signed the \$1,600 million contract at the end of September (MEED 4:10:86, page 4).

● An economic and technical co-operation agreement with Czechoslovakia was signed in Prague on 30 November by Industry & Minerals Minister Subhi Yassin Khudeir. Czechoslovakia's Prime Minister Lubomir Strougal expressed his country's willingness to participate in further Iraqi development projects.

● Brazil's **Engesa** is negotiating the sale of 200 armoured reconnaissance cars, says the daily Folha de Sao Paulo. Each car costs \$90,000, which puts the deal's value at \$18 million.

● An economic, trade and technical co-operation agreement was signed with Oman on 28 November.

● Bids to supply 750,000 kilometres of thread have been invited by **The State Establishment for Ladies' Garments**. Offers must be in by 5 January (see Tenders).

● Specialist manufacturing companies have been invited to bid by 30 December for the supply of X-ray units. Client is **The General Establishment for Marketing Medical Appliances**, which stipulates that offers be presented in Arabic or English. Payment is to be made by irrevocable letter of credit, payable two years from the date of the bill of lading.

Companies offering goods of US origin must attach an authenticated boycott certificate.

● An unidentified Yugoslav company has a \$2 million contract to supply ready-made sportswear.

● The mixed-sector **Electronic Industries Company** has invited offers for a contract to supply materials and electronic parts used in making colour television sets. Tender closing date is 15 January.

● Reports that Iraq received help in its recent raid on Iran's Larak island have been denied by air force commander Air Marshal Hameed Shaaban. "Iraqi warplanes need not refuel or land in any airport or place for this purpose," he said on 2 December. Iraq will retaliate against any Iranian attack on a Gulf country, Shaaban added. His remarks follow Iranian warnings that missiles may be launched against any base used by the Iraqis (see Iran).

● OPEC must cut its production ceiling by 5-10 per cent if it is to achieve its target oil price of \$18 a barrel, Oil Minister Qassem Ahmad Taqi al-Uraibi told the Kuwait News Agency on 3 December. Al-Uraibi reiterated Iraq's insistence on output parity with Iran for the duration of the Gulf war. According to OPEC's temporary agreement, Iran's quota is set at 2,317,000 barrels a day (b/d); Iraq is allowed to pump up to its present capacity of 2 million b/d.

JORDAN

Draft budget approved

The 1987 draft budget was presented to parliament on 30 November, following its approval by the cabinet. Total spending is set at JD 1,018.7 million (\$3,150 million) — 10 per cent up on the 1986 figure of JD 923.7 million (\$2,858 million).

The budget deficit is estimated at JD 39.6 million (\$122.6 million), against JD 38 million (\$117.6 million) last year. Capital and development spending will see the largest increase in funding. Their allocation rises by 18 per cent, to JD 433.6 million (\$1,342 million) from JD 359.9 million (\$1,113.9 million) in 1986.

Defence expenditure will rise only marginally, to JD 252.5 million (\$781.5 million) compared with last year's JD 243 million (\$752 million). Recurrent expenditure is planned to increase by only 3 per cent to JD 585.1 million (\$1,810 million).

Revenues for the year are estimated at JD 979.1 million (\$3,030 million). Local revenues will provide about 60 per cent — JD 586 million (\$1,813 million) — of this, with the remaining JD 393.1 million (\$1,216 million) coming from aid and loans.

Arab aid is projected to remain at JD 183 million (\$566 million), although this is unlikely to be met. Other aid includes JD 25 million (\$77 million) from the US, JD 118.8 million (\$367.7 million) from other foreign loans and technical assistance, and JD 25 million from local credit. A further JD 41.3 million (\$127.8 million) is

expected from loan repayments.

Total foreign aid in 1986 was set at JD 253 million (\$783 million); actual receipts are estimated at only JD 150 million (\$464.3 million — MEED 14:12:85, page 20; 7:12:85).

Jordan: budget, 1986-87 (JD million)

| | 1986 ¹ | 1987 ² | % change |
|-------------------------|-------------------|-------------------|--------------|
| Revenue | 886.0 | 979.1 | +10.5 |
| Local | 497.9 | 586.0 | +17.7 |
| Aid and loans | 388.1 | 393.1 | +1.3 |
| Expenditure | 923.7 | 1,018.7 | +10.3 |
| Capital and development | 359.9 | 433.6 | +20.5 |
| Recurrent, of which | 563.8 | 585.1 | +3.8 |
| Defence | 243.0 | 252.5 | +3.9 |
| Deficit | 37.7 | 39.6 | +5.0 |

¹ Projected

² Estimate

Figures may be inexact because of rounding
Exchange rate: \$1 = JD 0.3231

Source: MEED

IN BRIEF

● Finland's **YIT** on 27 November signed its FM 55 million (\$11 million) contract to expand capacity at the **Arab Potash Company's** Ghor al-Safi works to 1.4 million tonnes a year. The company will be responsible for supply of materials, and design and construction of equipment (MEED 15:11:86). Consultant is Ireland's **Jacobs International**.

● **Nabih Nazzal & Sons** has begun site preparation for its \$5 million medical complex on the Dead Sea. A construction contract is expected to be let before the end of December, a representative says. Three local companies have been shortlisted for the work, which calls for construction of a 300-bed complex to house patients suffering from the skin complaint psoriasis (MEED 16:8:86).

● Discussions about a proposed sale of up to 40 **British Aerospace** Tornado fighter jets took "several steps forward" during a 22-24 November visit by the UK's Defence Secretary George Younger, the London weekly Sunday Telegraph reports. Credit facilities for the sale, which could be worth up to \$1,000 million, were discussed in detail with armed forces' commander-in-chief General Zaid Bin Shaker, the weekly says. Increased military co-operation with the Soviet Union was discussed on 2 December by King Hussain and visiting Soviet deputy air defence commander General Yuri Chesnokov. Jordan has been seeking to diversify its military supplies since the US blocked a \$1,900 million weapons sale in 1985 (MEED 21:6:86; 22:3:86).

● The country's first reinsurance company will be registered on 1 January, the Supplies, Trade & Industry Ministry says. It will have initial capital of JD 3 million (\$9.3 million). The Social Security Corporation, the Pension Fund, banks and private companies — including those in the insurance sector — have been invited to participate. At present, all reinsurance business