

first issue — with a maturity of five years. The bearer bonds will not be redeemable ahead of time.

Co-managers include **Bayerische Landesbank Girozentrale; D G Bank; Westdeutsche Landesbank Girozentrale; Banque Bruxelles Lambert; Banco de Bilbao; Chase Manhattan Bank; Citibank; Den Danske Bank; Nomura Securities Company; Mitsui Bank; Yamaichi Securities Company; Turkiye Is Bankasi; Morgan Stanley International; and Nederlandsche Middenstandsbank.**

UK deal split after lack of progress

The treasury has mandated **Morgan Grenfell & Company** to help **Midland Bank** in syndicating a £100 million (\$166 million) mixed package of UK export credits and commercial funds, following slow progress with the deal. The banks will each handle £50 million (\$83 million), subdivided into equal portions of export credits and commercial loans.

The UK deal's lack of progress is another setback in the programme of such packages started by the treasury earlier in 1987. The programme is an attempt to overcome market resistance to direct commercial balance of payments borrowings by linking them with export credits. Packages aimed at the US and West German markets have also made slow progress. However, few problems were encountered in an approach to Japan. The results have been incorporated into an \$800 million World Bank-supported package for the energy sector.

The UK funds, covered by the Export Credits Guarantee Department, will mature five years after completion of the relevant business they finance. London bankers say the terms for the commercial portion are similar to other medium-term deals in the market, with a maturity of six to seven years.

Election bill ratified

President Evren has ratified a bill calling for general elections on 1 November. Parliament passed the bill on 10 September amid fierce opposition protests.

Prime Minister Turgut Ozal announced he would call general elections in November — one month less than the time required constitutionally — not long before the results of a referendum on whether to allow some politicians to return to active public life (MEED 12:9:87, see page 48). The 6 September referendum decided by a slim margin to allow the politicians, who include former premiers Suleyman Demirel and Bulent Ecevit, back into politics.

Demirel and Ecevit have since openly assumed leadership of the True Path and Democratic Left parties, respectively. They

immediately protested against the election bill, claiming it left too little time. The opposition also alleges that changes to the bill, including boundary adjustments, are designed to ensure victory for Ozal and his ruling Motherland Party.

The changes mean that a party that gets 30 per cent of the votes could win an outright majority, while parties with 20 per cent could be struggling to control 20 of the 450 parliamentary seats. At present, ANAP controls 249 seats.

IN BRIEF

● Switzerland's **BBC Brown Boveri & Company** has won a turnkey contract with the local **Tekser** to install a central water control system for ISKI (Istanbul Water & Sewerage Administration). The job is valued at TL 4,600 million (\$5.1 million), plus SF 12 million (\$8 million).

● Six international companies have bid for an engineering and consultancy services commission for a Turkish Electricity Board (TEK) modernisation programme. Bidders include **Stone & Webster, Ebasco** and a company identified as **SEI**, all of the US; Austria's **Verbundplanb**; West Germany's **Steag**; and a French firm identified as **EDF**. The project is supported by a \$140 million World Bank loan. It aims to boost power generation by replacing obsolete machinery and equipment.

● The tender closing date for a contract to supply a wastewater treatment plant to state paper corporation **Seka** has been extended until 2 December. Eight groups have prequalified. They are: West Germany's **Lurgi** with the local **Tekfen**; two Japanese firms **C Itoh & Company** and **Ebara Infilco Company**, with the local **Gama**; West Germany's **Passavant-Werke** with the local **Kullutas**; Finland's **YIT** with **Alarko** and **Endem**, both local; Belgium's **Benelux** with the local **Enka**; the UK's **Portals Water Treatment** with the local **Sezal Turkes-Feyzi Akkaya**; France's **Omnium Technique Holding** with the local **Tekser**; and the Netherlands' **Esmil** with the local **Guris**. The plant is for Seka's Izmir works.

● Exports were valued at \$5,683 million in the first eight months of 1987 — 22 per cent up on the corresponding period of 1986. The figures have been released by the State Institute of Statistics. They show that imports rose by 13.3 per cent, to \$8,105 million, and that the trade deficit fell marginally, to \$2,422 million, over the period. Exports were again industry-led, with the sector recording a 22.1 per cent increase, to \$5,683 million. Raw materials imports rose by 20.6 per cent, to \$5,291 million; imports of consumer goods increased by 14 per cent, to \$690 million. These upward trends reflect a boom in demand for manufactured goods in the domestic and export markets. Capital goods imports fell slightly to \$2,123 million.

● A \$10 million pre-export financing facility arranged for the local **Interbank** by **Kuwait Foreign Trading, Contracting & Investment Company (KFTCIC)** is expected to be signed by the end of September. It will be drawn down in October.

● Four important bank projects are in the offing, says Minister of State Mustafa Tinal Titiz. They are a rating centre, a venture capital company, a control centre and a Turkish bankers' club. The

rating centre, to evaluate the risk of investing in firms, will be set up as a joint-stock company with a capital of TL 2,000 million (\$2.2 million). State-owned **Anadolu Bankasi, Etibank** and the Export-Import Bank of Turkey (Eximbank) will be allocated 45 per cent of the shares; the remainder will go on sale to the public. The venture capital company will fund entrepreneurs who come up with novel ideas or technologies. It will have initial capital of TL 5,000 million (\$5.5 million), which may eventually rise to TL 30,000 million (\$33 million). The International Finance Corporation (IFC) is expected to take a 20 per cent stake. The control centre — also a joint-stock company — will supplement the rating and venture capital concerns. The bankers' club will help to promote better relations between banks, and the resolution of banking problems.

● The US' **Lazard Freres & Company** has completed a proposal to set up a leasing company to handle the rental of a central switching system to the posts, telegraphs and telephones (PTT) administration. The system is to be supplied by West Germany's **Siemens**. However, Siemens' \$130 million order is being held up by the State Planning Organisation's refusal to approve the PTT's budget (MEED 22:8:87).

● The local **Enka** and the Netherlands' **Royal Bos Kalis Westminster** are to form a company to bid for dredging work locally and elsewhere in the Middle East. Each will have a 50 per cent stake in the new firm, which will be based at Enka's Istanbul headquarters. To be feasible the venture will need an annual order book worth around \$2 million. It will be bidding for three big contracts in the greater Istanbul sewerage scheme, planned to discharge effluent deep into the Bosphorus. Tender deadlines for the three orders — for outfall drains at Baltalmani, Kadikoy and Uskudar — have been extended until 1 October (MEED 15:8:87). Enka subsidiary **Enka Teknik** has agreed a partnership deal with Japan's **Toyo Engineering** to tender in joint venture for local and regional contracts.

● The local **Kullutas** says its contract to build 860 homes in Eryaman, near Ankara, is valued at about \$12.8 million (MEED 12:9:87). The total housing area to be built is around 75,000 square metres. Contract duration is 14 months.

● Electricity will start being exchanged with Iraq in October, the Energy & Natural Resources Ministry says. Iraq will supply power to southeastern settlements not linked up to the Turkish grid.

● Manufacturing sector output increased by 5 per cent in the first three months of 1987, the Union of Chambers of Commerce & Industry says. The organisation expects the trend to have continued into the second quarter.

● Total oil-related energy demand in 1987 will be nearly 19 million tonnes, compared with 17.3 million in 1986, the Energy & Natural Resources Ministry says. Domestic output is expected to rise to 2.3 million tonnes, against 2.1 million tonnes last year. Gas production from two sites, in Thrace and near the Syrian border, is expected to exceed 500,000 million cubic metres.

● The government is to cut internal borrowing to ease pressure on the money markets, according to treasury and foreign trade undersecretary Yavuz Canevi. A total of TL 2,809,000 million (\$3,139 million) in bonds was sold by the treasury in the first half of 1987 (MEED 1:8:87).