

domestic flights. The majlis recently called on the government to place a total ban on tobacco cultivation and smoking (MEED 19:9:87).

● The Interior Ministry alleges that Saudi Arabia is preventing visits to Makkah to identify the bodies of 59 people, presumably Iranians, killed during the late-July hajj demonstrations. Saudi officials say 54 bodies await identification; they will be buried unless Iran or other countries present documentation.

● Ten drug smugglers were executed in Tehran and two other cites on 26 September, the state radio reports.

● A car bomb exploded in north Tehran on 26 September, but there were no casualties. Officials blame "agents of world arrogance."

IRAQ

Oil to form bulk of IPSA 2 contract payments

Contractors building the IPSA 2 oil export pipeline will take slightly more than 100,000 barrels a day (b/d) of crude as payment, analysis of contract details shows.

According to the terms of the \$1.459 million order, awarded in September, 90 per cent will be paid in monthly instalments of oil, depending on the work's progress. The remaining 10 per cent is a cash advance.

The winning consortium comprises two groups that were originally rivals for the contract. The first — led by Italy's **Saipem**, with **Snamprogetti** and **Siderexport**, also of Italy, and France's **Spie-Capag** — has a 53 per cent share of the overall contract value. It is expected to lift Basra Light and Kirkuk crude from the Turkish port of Ceyhan at prices now ranging between \$16.90-17 a barrel, the New York Petroleum Intelligence Weekly (PIW) reports.

Italy's **Agip Oil** will lift the oil on behalf of the Italian companies. PIW expects the US **Coastal** to lift Spie-Capag's share.

The second group's share of the contract is divided up: \$337 million to Japan's **Mitsubishi Heavy Industries (MHI)**, \$215 million to South Korea's **Hyundai Engineering & Construction Company**, and \$125 million to Japan's **Mitsubishi Corporation**. Hyundai says.

Mitsubishi's oil trading division will sell about 50,000 b/d due to the Japanese firms and Hyundai on behalf of the **State Company for Oil Marketing (SOMO)**. PIW says. Payment will be in Basra Light lifted from Yanbu through IPSA 1.

The contract will take two years, with construction expected to begin in December 1987. Pipelaying and installation of pumping stations will be carried out by Saipem and Spie-Capag, with detailed engineering by Snamprogetti, Siderexport and Mitsubishi will carry out pipe supply, and onshore and offshore terminals are to be provided by Hyundai and MHI. Hyundai's share is the

offshore terminal and a 5.5-kilometre pipeline, and a 1,160-metre causeway with 4.4-kilometre pipeline.

Underground gas stores planned in south

Baghdad is making headway with plans to develop further underground gas stores.

France's **Sofregaz** has completed the first stage of a study on a scheme that envisages storing up to 5,000 million cubic metres of liquefied petroleum gas (LPG) in aquifers in the Ratawi structure, in the south.

The project dates back to the early 1980s, when the former Iraq National Oil Company (INOC) asked international consultants to submit proposals for developing a large store for associated gas near Basra (MEED 2:7:82). Recovery was to be by dry gas reinjection. The study was to include a compressor station and dehydration plant, a storage area and pipelines, offices and roads.

INOC intended to use Umm al-Radhma, one of eight aquifers in the Ratawi structure. However, according to Iraq Oil News, an Oil Ministry publication, the discovery of oil-bearing structures below the aquifers brought the scheme to a halt while further tests were carried out.

Gas is already being stored in the north. A scheme to keep 1 million cubic metres of LPG in salt cavities near Kirkuk was completed recently. Sofregaz was responsible for designs and supervision; INOC did the construction (MEED 1:6:85). A pilot scheme for propane and butane storage started up in the north last year, Iraq Oil News says. Salt-saturated brine is used to displace the gas.

Baghdad believes that underground storage of hydrocarbons is desirable on economic, environmental, strategic and security grounds. The capital costs of developing underground storage for high-vapour pressure products, such as propane and ethylene, can be considerably less than those of building steel pressurised or refrigerated storage systems.

The Oil Ministry is studying at least three types of storage — leached salt cavities, unlined rock caverns and aquifers. Several sites in the north and centre of the country have been identified as suitable for rock cavern storage. Borehole cameras are now being used to assess impervious limestone formations, Iraq Oil News says.

Youth ministry the next to go

The Youth Affairs Ministry was dissolved on 28 September in a move announced on Baghdad television after approval by the Revolution Command Council. The former minister, Abdel-Fattah Mohammad Amin, has been named an adviser to the Bureau of Popular Organisations' Affairs.

Amin is one of several ministers who have lost their jobs this year following the

introduction of a fresh economic and administrative structure. The programme requires new blood — both technocrats and party men — to oversee the necessary changes.

The ministry's technical responsibilities will be taken over by the Higher Education & Scientific Research Ministry's National Institute for Youth.

The ministry's other main responsibility was sport. Its control of this area has been steadily eroded since June 1986, when Amin's predecessor — Nouri Faisal Shah — was dismissed, ostensibly for the Iraq football team's failure in the Mexico World Cup tournament. However, Shaher had also clashed with the president's son, Ud Saddam Hussain, chairman of the National Olympic Committee.

Control of all Iraq's regional and international sports relations now passes to the olympic committee (MEED 12:9:87 21:6:86, page 17).

JORDAN

● The local **Agricultural Marketing & Processing Company (Ampco)** has signed contracts worth JD 1.7 million (\$5 million) to supply 3,500 tonnes of vegetables to six European countries in the 1987/88 winter season. Belgium, Denmark, France, the Netherlands, Switzerland and the UK will take beans, peppers, marrows, cucumbers, aubergines and tomatoes. Talks are also under way with other West European countries for vegetable sales, and with some East European states for barter deals involving the exchange of Jordanian citrus fruit for apples and seed potatoes. Ampco hopes to boost overall sales for the coming season to 6,000-7,000 tonnes. Sales to Europe in 1986/87 were 450 tonnes. Local carrier **Royal Jordanian** and **Air France** have signed agreements to transport the produce.

● **Aqaba Ports Authority** has signed contracts totalling a combined JD 1 million (\$2.9 million) with eight local contractors to carry out improvement work at the port. The work includes the establishment of a marine communications station. The authority has also announced a 20 per cent cut in port charges for containers. Charges for agricultural produce have been reduced by 42 per cent and refrigerated goods by 55 per cent. The reduction went into effect on 22 September.

● Sudan has taken \$4 million worth of Jordanian pharmaceuticals as part of a \$10 million barter agreement signed earlier in 1987. The industry will get a further boost from a recent Health Ministry decision to invite bids for public hospital requirements from local companies.

● The US will be asked to supply 400,000 tonnes of wheat in 1988, up from 225,000 tonnes a year earlier, after a worse than expected harvest. Abdullah al-Hawamdeh, Supplies, Trade & Industry Ministry undersecretary, told Reuter that farmers produced only 60,000 tonnes in 1987, well below the predicted 100,000 tonnes. The harvest was bigger than the drought-hit 1986 output of 40,000 tonnes, but abundant rain has raised hopes for a bumper crop in 1987. Hawamdeh says farmers