

Mr. al-Rifa'i explained that public spending was important for increasing the gross domestic product (GDP), and for maintaining the Kingdom's financial commitments to local and international sources.

On capital expenditure covered by Arab aid programmes and local as well as foreign loans, Mr. al-Rifa'i explained that aid given to Jordan from the Arab states "was sometimes affected by the economic conditions in the donor countries. Hence, we sometimes resort to national and foreign borrowing to execute important programmes aimed at improving the quality of life for Jordanians." However, Mr. al-Rifa'i indicated that the government was adhering to certain fiscal policies to lower Jordan's national debt. Under this arrangement, the government is repaying its general public debt by amounts that exceed any new borrowing.

Another problem, the prime minister noted, was unbalanced tenor between the date of collecting local revenues, such as taxes and other fees, and the time of the actual spending. Hence, the government is forced to resort to short-term borrowing to meet these commitments, which, in turn, renders new interests that cannot be evaluated in the draft budget.

Responding to remarks made by Dr. al-'Aqaylah on a contract which was awarded to a coalition of two Indian construction companies for work on a 180-kilometre section of the new Al-Azraq-Al-Jafr highway linking Jordan and Iraq, Mr. al-Rifa'i said the award was given to the two companies upon the request of the Indian Government. He told Dr. al-'Aqaylah that a parallel offer made by another Indian company could not be considered as official since it was in the form of a letter to the Ministry of Public Works and came immediately after the contract was signed. The contract was signed earlier this year and work has already started on the stretch.

Dr. al-'Aqaylah expressed reservations over the choice of an offer which he said was at least \$30 million higher than the offer made by the other company. Mr. al-Rifa'i corrected the figure, saying the difference between the offer given by the Indian coalition company and the other was JD 3 million (10 million) and not \$30 million.

The coalition company will build the road from reinforced concrete blocks—a technique which will utilise around 4.1 million tonnes of cement produced by the ailing Jordan South Cement factory at a cost of nearly JD 8.5 million.

The prime minister said that the balance of trade between Jordan and India was in favour of the Kingdom, with India importing Jordanian potash, phosphates and fertilisers worth more than \$100 million. He said that in addition to maintaining the level of imports of Jordanian potash, fertilisers and phosphates, India would increase its imports of these three minerals to a level equal to 30 per cent of the contract's total value.

Mr. al-Rifa'i explained that the Indian Government asked Jordan to award construction contract to Indian companies to be named by the Cabinet in New Delhi in view of the fact that Jordan was unable to import more Indian goods as a means to correct the imbalance in bilateral trade relations.

Since India was a main market for Jordanian products and the government is keen on maintaining that, Jordan agreed to the Indian Government's request to award the contract to a coalition of two Indian companies, according to the prime minister.

The price of the contract, Mr. al-Rifa'i said, was near the estimated cost made by Jordanian officials from the Ministry of Public Works and based on the specifications of major Jordanian highways. Following negotiations between the two sides, the Indian coalition agreed to lower its initial demand for the road's construction from JD 38.5 million to JD 35.916 million.

Dr. al-'Aqaylah stated another reservation over a \$60 million loan entered between the government and Banco de Brazil for the purchase of vehicles for the Public Security Department and said "such purchases were not on the list of our urgent priorities in such a difficult financial situation."

Mr. al-Rifa'i pointed out that the correct figure for the loan is \$46 million and not \$60 million, as suggested by the Tafilah deputy. He said that Mr. al-'Aqaylah remarks represented his "personal view" and not the official view which decides on the security forces' need for vehicles, equipment and machinery.

The session also ratified two loan agreement between the Government of Jordan and the Saudi Fund for Development and the Kuwaiti Fund for Arab Socioeconomic Development, respectively. The former loan will be used for financing part of the Faculty of Sciences at the Jordan University of Sciences and Technology and the latter will be used to fund phase two of the Aqaba Thermal Power Station.

Dudin Affirms Adherence to Development Plan
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[Text] Marwan Dudin, minister of occupied territories affairs, has affirmed Jordan's adherence to the development plan in the occupied Arab territory, which seeks to promote citizens' standards of living by providing job opportunities. In a statement to AFP yesterday, the minister said it will not be easy to carry out such a program under present conditions since it concerns a territory totally controlled by the enemy. There will always be a danger that this plan might not only benefit the Palestinian people but also the Israeli economy.

The minister added: Jordan has recently formed nine committees in the occupied territory to follow up financial measures and to supervise what is being spent on projects. These committees represent Jerusalem, Janin, Nabulus, Tulkarm, Ramallah, Jericho, Bethlehem, Hebron, and Gaza. The minister stated that it was decided in 1987 to embark on projects for which \$13 million were allocated. These projects cover the sectors of health, education, electricity, water supply, and the building of new roads in the West Bank and the Gaza Strip.

A monthly sum of \$1 million a month was allocated to provide direct monthly assistance to lawyers, engineers, and teachers in the West Bank and the Gaza Strip.

Jordan received \$19.5 million from the United States as a contribution to this development plan. Jordan also deducts \$10 million a year from its budget to finance this project.

The minister stated that the Joint Jordanian-Palestinian Committee allocated \$18 million to the occupied territory as of 30 November last. The activities of this committee were suspended in 1986 due to a shortage in funds, but Saudi Arabia reactivated this committee by providing a sum of \$6.5 million. It also paid an equal sum at the beginning of last November. The committee is scheduled to hold a meeting in Amman on 13 January.