

IN BRIEF

● Senior bankers have been reshuffled, as part of the overhaul of top state-sector workers that has followed president Bourguiba's removal from power. Beji Hamda has been named vice-governor of the central bank; Moncef Belkhouja becomes president-director-general of *Union Tunisienne des Banques* in Paris; Mohamed Bouaouaja takes over *Societe Tunisienne de Banque*; and Neji Skhiri takes over at *Union Internationale de Banques*.

● There are five managers among the eight participants in a DM 90 million (\$54.9 million) loan arranged by *Bankers Trust International (BTI)* for *Trans-Tunisian Pipeline Company* (MEED 7:11:87). They are BTI, France's *Credit Lyonnais*, *Credito Italiano* and *ENI International Bank*, both of Italy, and Japan's *Mitsubishi Bank* (agent). Other participants are the London branches of Italy's *Istituto Bancario San Paolo di Torino* and *Banco di Roma*, and the Frankfurt branch of Italy's *Monte dei Paschi di Siena*.

● *Tunis International Bank* is to offer credit cards issued through *Visa International* from 3 January. Cards will be available to clients with foreign currency and convertible dinar accounts, with a target of 1,000 to be issued by the end of 1988. The bank had considered issuing a local card, linked to accounts held in the main local banks. This idea proved too problematic, but if the Visa card is successful, it might eventually go ahead. The Visa card will be Tunisia's second international credit card; the first was issued recently by *Diners Club International*.

● A framework energy co-operation agreement was signed in Tunis on 4 December by National Economy Minister Siaheddine Ben M'Barek and the chairman of Italy's *Ente Nazionale Idrocarburi (ENI)* group, Franco Reviglio. ENI has been involved in Tunisian oil and gas projects since 1964. The new agreement intends to promote joint ventures in other sectors, including chemicals — especially fertilisers — tourism and light industry. Reviglio also attended a 3-5 December seminar in Sousse about Maghreb-EEC links. Also present were Italy's Socialist party leader Bettino Craxi and French presidential candidate Raymond Barre. The meeting, addressed by Prime Minister Hedi Baccouche, was intended to promote economic ties, and gave the new government the opportunity to explain its policies to influential Maghreb and European delegates, Tunis analysts say.

● The 1988 budget will be presented to parliament on 11 December. Deputies are expected to vote at the end of the month. Few details have been released, but several projects are expected to be cut, including a planned statue of ex-president Bourguiba in the Tunis casbah.

● The ruling *Parti Socialiste Destourien (PSD)* politburo was reduced to 12 from 20 members in an 8 December reshuffle. Out go leaders of national organisations, which should now have autonomy from the party, the daily *La Presse* says, and ex-president Bourguiba's son, Habib Bourguiba junior. Three members remain — Prime Minister Hedi Baccouche, Minister of State for National Defence Siaheddine Baly and PSD director Hamed Karoui. Sadock Ben Jemaa returns (MEED 14:11:87). New members include close aides of President Ben Ali from his time at the Interior Ministry — Habib Ammar,

Mohamed Karboul and Abdalial Kallal — ministers Mahmoud Mestiri and Abderrazak Kefi, Secretary of State for Agricultural Production & Agribusiness Abderrahim Zouari, state television company head Abdelmalek Larriij and Bizerte province vice-president Amor Bedjaoui, who served in the Interior Ministry from 1978-80.

● President Ben Ali granted amnesties to 2,487 prisoners on 5 December, in moves designed to pacify the opposition. Most were described as ordinary criminals, but 156 had been sentenced following the 1984 bread riots, 608 were charged as members of *Mouvement de Tendence Islamique (MTI)* and 18 belonged to the ultra-radical Islamic Liberation Party, which draws some of its members from the military. Also quashed was the four-month prison sentence passed on Ahmed Mestiri, leader of *Mouvement des Democraties Socialistes (MDS)*, the largest legal opposition party. Mestiri is among opposition leaders to have met Ben Ali. Their talks reportedly centred on giving opposition parties greater representation — either by reviving the planned *Conseil Economique & Sociale*, or through legislative elections — before parliament's mandate runs out in 1991. In other moves towards reconciliation, students sent into the army after the 1986-87 university disturbances are being allowed to resume their education.

● Former interior minister Driss Guiga, who was dismissed in the wake of the January 1984 bread riots, has been sentenced to five years' forced labour and five years' jail, to run concurrently. He was found guilty of corruption. The sentence has been suspended. Observers say the sentence passed on Guiga, who was arrested soon after he returned to Tunis following the removal of president Bourguiba, may be meant to warn other old guard politicians that they cannot expect to return to public life now Bourguiba has gone. Guiga is banned from political and civic life for five years, and must pay costs.

TURKEY

Offers opened for Ankara metro

A local/Canadian venture submitted the \$521.9 million low bid on 4 December for the first phase of the Ankara metro project. The proposal, from *Gama* and *Urban Transit Development Corporation (UTDC)*, also requires the least participation from Ankara municipality (MEED 17:10:87).

The municipality's bus, electricity and gas utility, *EGO*, originally wanted to tender the project on a wholly build-operate basis. However, contractors made it clear in the spring that they were not interested in the long-term exposure such a method implied, without at least a partial guarantee of state support.

EGO then came up with a complex alternative, whereby bidders had to specify the degree of participation required of *EGO*. The alternative provides for a partial government guarantee of construction financing repayment by the

venture, and for separate sales and construction orders between *EGO* and the successful contractor. The level of participation specified by bidders will clearly influence the outcome of the tender.

The full list of bidders, with the degree of participation required, is:

- *UTDC/Gama* — \$521.9 million; participation 37 per cent
- *Interinfra* (France) with *Enka* — \$544.8 million, plus \$19 million not announced at the bid opening; 71 per cent
- *Siemens* (West Germany) with the local *Kutlutas* — \$565.9 million; did not tender on build-operate basis
- *Bouygues* (France) with *Sezai Turkes-Feyzi Akkaya* — \$662.2 million; 80 per cent
- *ASEA* (Sweden) with *Yapi Merkezi* — \$708 million; 43 per cent.

The first stage of the metro calls for a 15-kilometre line running northwest from the city centre to Batikent. About three kilometres will be underground; the rest will be separated from other transport systems by bridges and underpasses. The first stage includes 12 stations and several underground shopping arcades. The total system, for completion by 2015, will be 55 kilometres long. Consultant is Canada's *Reid Crowther International* with the local *Kutlutas Muhendislik*.

World Bank lends for Istanbul sewerage

The World Bank is to lend \$218 million towards the second phase of the greater Istanbul sewerage project, overseen by Istanbul Water & Sewerage Administration (ISKI). The loan, which follows hard on the heels of Prime Minister Turgut Ozal's 29 November election victory, is taken as a sign of the bank's broad approval of the election result (MEED 5:12:87, page 65).

The World Bank backed the project when it started in the mid-1970s, and approved an \$88.1 million loan for the first phase in 1982. The second phase, to run until 1994, aims to reduce water shortages, continue pollution control in the Bosphorus and Sea of Marmara, and make operations more efficient. Its total cost will be around \$570 million.

A consultancy contract for the second stage was awarded to the UK's *Watson Hawksley* in joint venture with Switzerland's *Motor Columbus* and the local *Temel Muhendislik* in mid-1986. Consultant for the first stage is the UK's *Taylor Binnie & Partners* with the local *UBM*.

The second phase includes renovation of water distribution networks, and the construction of the sewage disposal structures and equipment necessary to keep pace with the annual 6-8 per cent growth rate in Istanbul's population. About 2.3 million people are expected to benefit.

This stage includes the installation of 330,000 sewage connections, and training

in operations maintenance and industrial waste management.

The second phase covers most of greater Istanbul, apart from areas such as the European centre and the Golden Horn — served by the first phase — an area of about 1,940 square kilometres. It includes most of the coastal district, which stretches from Istanbul to Silivri, a town about 60 kilometres west, and north to Tarabya, near the Black Sea.

On the Asian side, the area extends south along the Bosphorus from a point near the Black Sea to the first Bosphorus bridge, and to Tuzla on the Sea of Marmara.

ISKI has already invited prequalification for initial construction work on two outfalls in the second stage, at Tuzla and Kucukcekmece.

Bids were returned in the autumn for several key first-phase contracts. The local **AZK** has been awarded an TL 18,000 million (\$18.6 million) order to lay an interceptor sewer along the Marmara coast. The local **Sezai Turkes-Feyzi Akkaya (ST-FA)** was combined low bidder in mid-October for three main outfall drains, at Kadikoy, Uskudar and Baltalimani (MEED 24:10:87). It quoted TL 36,319 million (\$37.8 million).

Breakthrough for Kayraktepe dam

A breakthrough in a dispute about the Kayraktepe dam project means bidders can expect soon to be issued with tender documents for the \$180 million main civils contract.

The wrangle centred on the number of firms to be included on the shortlist. The World Bank and the State Hydraulics Agency (DSI) have now agreed that 21 firms should be on. The DSI had previously wanted more, to increase competition (MEED 22:8:87).

The names of the companies, joint ventures or consortia that have made it on to the list have not yet been released, either publicly or to the bidders themselves. The information is expected to be available soon, as the DSI and its Japanese consultant, **Electric Power Development Company (EPDC)**, are working on the final bid documents. Tender invitations should be announced before the end of 1987.

Bids for the civils will probably then be returned in April, allowing construction to start in mid-1988. Construction will take about seven years.

The total cost of the project, including interest servicing, is expected to work out at more than \$700 million. The scheme is to be funded externally. This includes a World Bank B-loan co-financing deal of around \$360 million, concluded before the DSI invited prequalification applications in August 1986.

The Kayraktepe dam, with the associated 420-MW hydroelectric station, forms an important part of the government's ambitious power expansion plans. The

UK contractors move in on Turkey's hotels

THE concrete tower of the capital's first Hilton hotel has become an increasingly familiar landmark through the smog hanging over Ankara's exclusive Cankaya quarter. The half-completed building is part of a huge expansion in business and tourist accommodation, for which UK contractors have been brought in to provide the hi-tech expertise that most general Turkish contractors lack.

"I think that perhaps UK firms are stronger in project management than other western contractors," says John Armit, managing director of John Laing International. "We provide that extra 10 per cent surety that the hotels will be finished on time and to budget."

His firm was in late 1985 appointed project adviser for the Hilton, helping local contractor MNG. This is owned by Mapas Nazif Gunal who, with Hilton International and General Dynamics, is a shareholder in the \$30 million, 330-room scheme. The five-star hotel — which includes restaurants, ballroom and function rooms, swimming pool and casino — will be completed for opening in October 1988. Consultant is Canada's Webb Zerafa Menkes Housden Partnership.

Laing is also gearing up for the early-1988 start of construction on a 1,000-bed holiday village at Tekirova, in the south. The \$15 million project, being built for Anadolu Turizm, is for completion in August 1990.

Kier International is another British firm keeping its eye on tourism developments. "As we see Turkey at the moment, the main thrust of our efforts must be in the way of project management," says a senior executive there. Local contractors are still putting in low offers for schemes financed by agencies

such as the World Bank, for their hard dollar content, he says. This makes it difficult for foreign firms to compete.

Kier is talking to the consortium transforming the 123-year-old Takisla palace building in Istanbul into a hotel with about 300 rooms. Some of the building, near the central Taksim square, is still used by Istanbul university. Proposals drawn up by the consortium — which groups local contractor Eska with the US' Regent International Hotels Corporation — include two restaurants and a casino.

Kier also has an interest in a hotel being built near Antalya on the southern Mediterranean coast. Other UK contractors involved in hotel building include Taylor Woodrow International and Cementation International.

Taylor Woodrow's first Turkish contract, awarded in early 1987, was to provide construction management services for an \$11 million hotel and villa complex in Antalya. The local Gama is the developer and main contractor, and hopes to complete the scheme — which includes a 250-room Ramada hotel — by the end of 1988.

"We had never built a five-star hotel," says Gama managing director Ergil Ersu. "This is our own investment — we want to be right, and complete it on time."

Cementation is to manage construction of a hotel being developed in Antalya by the UK's Polly Peck International. The \$25 million hotel — the Sheraton Voyager International — will be managed by the US' Sheraton Corporation. On completion in 1989, it will have a capacity of 1,050 beds.

JIM BODGENER

199-metre-high rockfill dam will be built on the Goksu river in Mersin province.

IN BRIEF

● The budget deficit to the end of October totalled TL 1,095,000 million (\$1,100 million). The figure exceeds the target of TL 930,000 million (\$930 million) set for the whole of 1987. The rate of inflation in the 12 months to the end of November was 41.7 per cent, compared with around 30 per cent in the corresponding period of 1986. Retail prices rose by 6.2 per cent in November. Bankers say they expect inflation to reach 45 per cent by year end.

● The Netherlands' **Nedeco** has won two commissions as part of a \$1,200 million irrigation project funded by the World Bank. The six-year first phase of the scheme is for infrastructure for drainage, rural development and silt control. The work will be carried out by Nedeco group member **Euroconsult**. The total irrigated area in Turkey has increased substantially, to 5 million hectares, since 1960. However, of a total 400 irrigation projects, about 150 suffer from drainage and salination problems. These have caused 350,000 hectares of irrigated land to be abandoned since the early 1960s. An irrigation masterplan for the whole country is being prepared, for which Euroconsult will process satellite data.

● The local **Iktisat Bankasi** signed a \$10 million short-term export finance facility on 30

November. Seven international banks are taking part in the syndication, for which the agent is Switzerland's **Credit des Bergues**. The other six are **Banco Atlantico, Societe Generale, Al Saudi Banque, Nuovo Banco Ambrosiano, Lloyds Bank and Commercial Bank of Kuwait**. Iktisat has arranged similar financing facilities in 1987 for exports of tobacco, pulses, cotton, cotton yarn and clothing.

● Four private-sector tea companies have been set up, following the lifting of a state monopoly on local tea production and marketing. They are **Anadolu Cay Isletmeleri, Altin Filiz Cay, Ofcaysan Tarim Urunleri and Ballica Cay Isletmeleri**.

● The \$2,000 million target for exports of ready-made clothes in 1987 was surpassed in the first nine months of the year. Exports for the year are now expected to exceed \$2,500 million (MEED 21:11:87).

● France's **Trophy Radiologie** is to take an initial 51 per cent stake in the country's first factory making X-ray instruments, to be set up at Bolu on the build-operate model. The French firm will build the plant with the help of its local representative, **Ultra-Med**, the Ankara daily Ebanewsletter says. The Health Ministry will take a 15 per cent share; the remaining shareholding will be divided among other local public and private-sector bodies. The factory is planned to start up in April or May 1988, with annual production of 350-500 units. The range and