☐ Construction of an aeromedical facility in Heliopolis, northeast Cairo. Estimated cost is more than $10 million. Bids are to be invited on 12 February with an 11 April closing date.

Applications to prequalify for the three contracts are to be submitted by early January. To be accepted as a firm for purposes of prequalification, the company must have at least 51 per cent Egyptian ownership, and must not be wholly or partly owned by the government.

Negotiations start on tank factory contracts

Shortlisted firms are understood to be negotiating about three contracts for work on a tank factory being built at Abu Zaabal, north of Cairo. The validity of offers for the three orders, valued at $60 million-70 million in total, has been extended until 31 January. It is planned that the contracts be signed simultaneously early in the new year, industry observers say (MEED 31:10:87; 27:6:87).

The largest order is for mechanical and electrical work. Two bidders have been selected for negotiations: a West German joint venture of ***Thyssen*** and ***Siemens***, which submitted a price of £E 125 million ($56 million); and France's ***Spie Batignolles***, at £E 105 million ($47 million). The other bidders are: the local ***Arab Contractors (Osman Ahmed Osman & Company)***; Taiwan's ***Ret-Ser Engineering Agency***; the US' ***Ebasco Services*** with the local ***General Engineering***; an Italian joint venture of ***Compagnia Elettrotecnica Italiana***, ***Dravo Costruzioni*** and ***Sicom***; Italy's ***Nile Aster*** with ***Higgs & Hill*** of the UK; Yugoslavia's ***Interexport***; and Italy's ***Ital Group***.

Arab Contractors and Ret-Ser have been selected for talks about an estimated £E 18 million ($8 million) contract for civil works on the external parts of the factory. Three firms have been shortlisted for an order for the construction of an office building — Arab Contractors, General Engineering and Portugal's ***Suarez di Costa***.

Civils for the factory itself are being done by the local ***National Service Projects Organisation***. The UK's ***Dorman Long Overseas*** has an order to supply structural steel.

The factory — no 200 — is to assemble, maintain and eventually manufacture armoured vehicles, including main battle tanks. Defence & Military Production Minister Field Marshal Mohamed Abdel-Halim Abu Ghazala has indicated his strong preference for the US' ***General Dynamics Land Systems'*** M1-A1 Abrams tank for factory 200. Talks have been held with the US about ways of financing the scheme.

Italy sets sights on Esna dam

An Italian consortium led by ***Impregilo*** is understood to have started negotiations about an estimated $170 million-200 million contract to build a dam across the Nile at Esna, in Upper Egypt. The Italian group is the low bidder, but the client — the Public Works & Irrigation Ministry — has also expressed strong interest in offers submitted by a Canadian group, and an Italian joint venture of ***Societa Italiana per Condotte d'Acqua*** and ***Astaldi Estero*** (MEED 17:10:87).

The main issue of discussion with Impregilo is the supply of turbines for the 100-MW hydroelectric plant included in the contract, industry observers say. The client is reported to be not entirely satisfied with the turbines, to be supplied by Romania's ***Romanergo***.

Of the three main contenders, the Canadian team — ***The SNC Group*** with ***Canadian International Construction Corporation*** — has highly competitive financing proposals. However, its price is about 24 per cent higher than Impregilo's and 14 per cent above Condotte d'Acqua's.

Also shortlisted are Yugoslavia's ***Energoprojekt*** and Taiwan's ***Ret-Ser Engineering Agency***. However, both are regarded as outsiders, mainly because of the relative weaknesses of their financing packages. Bid bonds have been extended by two months, to 22 December.

IN BRIEF

- West Germany's ***Kraftwerk Union (KWU)*** has initialled a contract to build the gas turbine first phase of the Damietta power station. Formal signing is expected soon (MEED 12:12:87).
- Defence & Military Production Minister Field Marshal Mohamed Abdel-Halim Abu Ghazala visited Kuwait in mid-December for talks about security issues and weapons sales.
- Only modest interest is expected in the March bidding round for offshore Gulf of Suez oil exploration concessions, industry observers say. ***Egyptian General Petroleum Corporation*** has issued four bid packages, for blocks in the south and north. Observers say most of the areas under offer are in relatively deep water, which will increase exploration costs.

IRAN

Tabriz chosen for third chemicals complex

A $1,500 million petrochemicals complex is to be built in Tabriz, in the northwest. Prime Minister Hossain Moussavi was present at the start of work in early December, officially ending a prolonged dispute between several provinces offering sites for the country's third big petrochemicals plant.

National Petrochemical Company (NPC) is now completing shortlists of process licensors for all the units. Tender invitations are expected in early 1988. Three licence holders, Italy's ***Technipetrol/KPI***, ***Stone & Webster*** of the UK and ***Lummus*** of the Netherlands, are being considered for the key olefins/ethylene process; a fourth company, West Germany's ***Linde***, is reported to have been dropped from the list. The contractors' shortlist is based on the one drawn up for the Arak complex (MEED 1:8:87).

Tabriz will be built on a turnkey basis. It will be part-financed by a special fund set up from the proceeds of the sale of 100,000 barrels a day (b/d) of oil (MEED 1:5:87; 2:5:87). About $600 million worth of foreign exchange will be required, Oil Minister Gholamreza Aqazadeh says.

There has been uncertainty about the site of the complex since the majlis approved the scheme in early 1987. Isfahan was initially favoured, but in mid-year, Tabriz, the capital of Azarbaijan province, was chosen because of the fear of over-pollution in Isfahan. A few months later, it seemed it had been decided to drop Tabriz because of possible problems with water supplies (MEED 10:10:87; 1:8:87).

The eventual decision to choose Tabriz results from several factors, not least the Azarbaijan lobby in the majlis and the government. East and West Azarbaijan provinces together have the largest contingent in the majlis; Moussavi is an Azarbaijani, as are Aqazadeh and several of his deputies. The possibility of a fourth petrochemical complex being sited in Isfahan may also have reduced opposition from Isfahan.

The Azarbaijan water board is laying a water pipeline from the Miandoab dam to boost water supplies in the Tabriz area.

Another objection to Tabriz concerned possible problems with the supply of naphtha for feedstock — 9,000 tonnes would be needed annually by the complex. It was argued that naphtha from the 110,000-b/d Tabriz oil refinery was needed to boost the octane rating of motor fuel; however, shortages are expected to be made up by naphtha from the planned Bandar Abbas oil refinery. Tabriz refinery itself is now undergoing major expansion.

In Isfahan, a 95.5-hectare site was in October transferred to NPC, ahead of the start of construction work on an aromatics plant in 1988 (MEED 22:8:87); a solvents plant is also to be built in Isfahan by ***National Iranian Oil Company (NIOC*** — MEED 19:9:87).

Preliminary work starts on Bandar Abbas refinery

Preliminary work has started on the 220,000-barrel-a-day (b/d) Bandar Abbas oil refinery. The first letter of credit for the main contractor is to be opened in the next few months. The refinery is one of two new plants; the other is at Arak.

A joint venture of Italy's ***Snamprogetti*** and Japan's ***Chiyoda Chemical Engineering & Construction Company*** has the turnkey contract for the $1,500 million refinery (MEED 25:4:87). The ***National Iranian Oil Company (NIOC)***

NEWS

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