

support a second agricultural project has been filed with the Kuwait Fund for Arab Economic Development (KFAED).

A KFAED team was to visit from 9 January to study the application, the first since 1971, when money was lent for industry. Total KFAED loans amount to KD 6.5 million (\$24 million).

The KD 8 million (\$29.4 million) AFESD loan was signed in Baghdad on 4 January by Finance Minister Hikmat Omar Mekhailef al-Hadithi and AFESD director-general Abdel-Latif Yousuf al-Hamad.

The money will be used to provide concessionary loans to small-scale farmers to enable them to modernise equipment and farming methods. The eventual aim is to increase production, and improve incomes and living standards.

The agricultural credit programme will run until 1991. It is being administered by the loan beneficiary, the **Agricultural Co-operative Bank**.

Repayment of the AFESD loan will be over 20 years, including five years' grace; interest is set at 6 per cent.

AFESD has now agreed more than \$80 million worth of loans since 1974. The more recent have been for cold stores in Taji and Mosul, an earth satellite station, and earthquake and computer projects (MEED 5:4:86; 8:2:85).

Hydro plants proposed for Tigris

Possible construction of a series of hydroelectric plants along the central section of the Tigris river is being examined by the Heavy Industries Ministry. A seminar on developing hydropower up to 2010 – held by the ministry in December – has recommended building as many plants as possible, and carrying out a technical and economic feasibility study.

A research paper submitted to the seminar suggested that the proposed stations have a total capacity of 3,165 MW, to supply about 10,700 kWh a year. Agricultural benefits were also discussed, including the use of associated reservoirs for fish farming, the daily Baghdad Observer reported.

The seminar also recommended close co-ordination between the heavy industries and agriculture and irrigation ministries.

Work has started on Al-Shemal power station in the northern Salahaddin governorate, Heavy Industries Minister Abdel-Tawab Abdullah Mullah Huwaish said in December. The ministry has invited international consultants to bid for a detailed design and supervision contract; the bulk of construction work will be carried out by local engineers, Huwaish said (MEED 19:12:87).

The oil-fired thermal power station, which will have three 300 to 400-MW units, will be built by the Tigris. Estimated cost is \$50 million.

Al-Shemal is expected to supply much of

its output to Turkey, once the two countries' national grids have been connected (MEED 19:9:87).

IN BRIEF

● The UK's **Matrix Churchill** expects by July to complete delivery of a £20 million (\$36.7 million) order for 150 computer-controlled lathes. The contract was signed in July 1987 by the company, which was then called T1 Machine Tools. Payment is by irrevocable confirmed letter of credit.

● Indian exporters are negotiating to supply 7,000 tonnes of tea, with delivery possibly starting in January, Tea Board of India chairman R K Tripathy says. The orders could total \$16 million. Indian tea exporters had a lean time in 1987, supplying only 2,000 tonnes or so in the face of strong competition from Sri Lanka. In 1986, India supplied around 9,200 tonnes, of total Iraqi demand of about 37,000 tonnes.

● The UK's **Tilden Industries** has a £2.3 million (\$4.2 million) contract to supply prefabricated housing for staff employed on a railway operations and maintenance contract being carried out by India's **RITES** (MEED 2:1:88). A letter of credit for the contract was opened in October. The first deliveries were shipped in November, with the last scheduled for February. Tilden is to supervise erection of buildings in Ramadi, Akasha, Qaim and Husaibah. In Baghdad, a 2,900-square-metre residential and management complex and a two-storey project office are also being built. Tilden's order includes the supply of furniture, fittings and airconditioning equipment.

● A further easing in import restrictions will enable people carrying out agricultural projects to import equipment they are unable to obtain through the Trade Ministry, the daily Baghdad Observer reports. The ministry has been given authorisation to grant the necessary licences by the president's office. The main schemes covered by the new instructions are fodder projects, slaughterhouses, hatcheries, and poultry and cattle-breeding programmes.

JORDAN

● Bid bonds for offers for the \$260 million Aqaba thermal power station have been extended until 15 May, pending a decision on the scheme's future. Offers for the boiler and turbine islands, switchyard and civil works, and for a turnkey alternative, were opened in April 1987 (MEED 4:4:87). A decision on contracts was originally expected by December. The postponement follows a reassessment of Jordan's power needs in the light of the economic slowdown, and hopes for a local energy source following two gas finds at Al-Risha, in the northeast. A decision on a contract to install two outdoor industrial gas turbine stations at Al-Risha is expected in January (MEED 20:6:87, Tenders).

● The income tax department collected JD 45 million (\$133 million) in taxes in 1987 – JD 6 million (\$18 million) less than in 1986. The fall is the result of tax exemptions on property, exports and new manufacturing industries as part of measures to boost the economy. The 1988 budget tax target of JD 55 million (\$162 million) should be reached by stricter application of tax

laws rather than the introduction of new taxes, tax department director Salman Tarawaneh says.

● **Telecommunications Corporation** director Mohammad Shahid Ismael says the company plans to start inviting bids in February for about JD 100 million (\$294 million) worth of projects. They include installing automatic telephone exchanges in 591 towns and villages. Plans also include installing 219,000 telephone lines and about 55 microwave stations. The corporation's five-year plan estimates that about two-thirds of its project financing will come from external loans.

● The Urban Development Department is seeking a local consultant to oversee its \$93 million third urban development project. The World Bank is lending \$26 million for the scheme, which will create 7,000 homes for low-income families. The scheme is the first to include centres outside Amman, and will encompass Aqaba, Zarqa and Tafleeh (MEED 23:5:87).

● The Amman financial market (stock exchange), which experienced record trading in 1987, plans to curb insider trading, general manager Hashem Sabbagh said on 3 January. Sabbagh says he has proposed an amendment to the companies law obliging firms to disclose their financial position twice a year, rather than once, as at present. He has also called for closer supervision of brokers to deter them from charging excessive commissions.

● Finland's **Stromberg** has an order to supply nine electricity substations worth FM 30 million (\$7.3 million). It is negotiating a further order worth about FM 5 million (\$1.1 million). Client is the **Jordan Electricity Authority**. Supplier credits have been arranged to finance the order.

● Ways of increasing co-operation in oil exploration and production were discussed by senior Jordanian officials and Norway's Petroleum & Energy Minister Arne Oien during a week-long visit that ended on 2 January. Oien travelled on to Cairo for talks about joint projects in Egypt.

● The 1988 Arab aid allocation will be used to repay foreign debts and cover the budget deficit, rather than to finance new spending, Prime Minister Zaid al-Rifai says. He adds that the government is confident of receiving JD 200 million (\$590 million) in Arab aid provided for in the 1988 budget in the wake of the Amman summit in November. This amount still falls short of the aid promised in the 1978 Baghdad summit agreement. The 1988 budget has been passed unanimously by both the lower house and the senate.

● Japan is to grant ¥ 40 million (\$320,000) to the antiquities department to finance equipment purchases.

● The **Industrial Development Bank** provided 12 loans worth JD 2.6 million (\$7.6 million) to industrial and tourism projects in the third quarter of 1987. This brought to 43 the number of loans made in January-September, with a total value of JD 5.8 million (\$17.1 million).

● The Jeddah-based Islamic Development Bank (IDB) is to provide a \$15 million loan for imports of crude oil from another IDB member country. The credit brings to \$41.6 million total IDB financing for Jordan since August 1987.