

● The Algerian and Libyan leaders attended 8 February celebrations of the 30th anniversary of the Sakiet Sidi Youssef bombing. Libya's leader Muammar Qaddafi held talks with President Ben Ali during a 4-6 February visit, when agreement was reached to promote joint economic projects (see Libya).

● Kuwait's Finance Minister Jassim Mohamed al-Kharafi had talks with Prime Minister Hedi Baccouche in Tunis on 3 February. Co-operation in chemicals, fertilisers and tourism was on the agenda.

## TURKEY

### Full-scale privatisation begins

The government has set a 29 March date for its first big privatisation of state industrial holdings — the sale of shares in telecommunications joint venture **Teletas**. Privatisation programme director Cengiz Israfil says it is the first real step towards selling off state assets, a move planned since Prime Minister Turgut Ozal came to power in late 1983.

Twenty-two per cent of the state's 40 per cent holding in Teletas will be sold off. Workers at the plant will be offered 10 per cent and some will be offered to Turkish expatriate workers to encourage capital repatriation. The remainder will be issued on the revamped stock exchange.

Three million shares will be involved. Their price will be set on 17 February. It is expected to be fairly attractive, slightly below the book value of the company, to promote purchases. Israfil says his department has already been inundated with applications.

The government will initially keep its remaining 18 per cent holding in Teletas, to maintain a say in its operations and to provide security for the issue. The stake will eventually be sold direct to institutions and companies, and not through the exchange.

The other shareholders in Teletas are Belgium's **Alcatel**, and private companies and institutions.

The government's holding was transferred to the Public Participation Fund in 1986 in preparation for the issue. Israfil says its outcome will determine the manner and scope of future privatisations. Near certainties include the government's holding in another joint-venture telecommunication equipment maker, **Netas**, which will probably be sold in the autumn.

The first two fully fledged state economic enterprises (SEEs) slated for privatisation are textiles agency **Sumerbank** and petrochemicals manufacturer **Petkim Petrokimya**. Israfil says 45 other state holdings and subsidiaries of SEEs are being reviewed.

The Teletas shares will be offered first to the blue-chip market on the exchange and

then to the secondary market to improve its quality.

### Locals bid low for third Bosphorus bridge

The local **Sezai Turkes-Feyzi Akkaya (ST-FA)** has put in the \$171 million low bid for a build-operate contract for the third Bosphorus bridge. It came in 30 per cent below the UK's **Trafalgar House** and the local **Enka**, the next lowest bidder.

Mayor Bedrettin Dalan said at the 8 February tender opening that the municipality would choose the winner within 15 days. He added that ST-FA looked to be ahead in the competition. Trafalgar House has had its sights set on building the bridge since its subsidiary, **Cleveland Bridge & Engineering Company**, was pipped for the second bridge in 1985 by Japanese firms in a consortium that included ST-FA. Trafalgar, which has been working on studies for the municipality since autumn 1986, also has a good finance package. It includes £35 million (\$62 million) in grant aid, and indications from the UK's Export Credits Guarantee Department that it is prepared to provide cover for export credits from UK banks.

It was originally thought the second bridge's two Japanese builders, **C Itoh & Company** and **Ishikawajima-Harima Heavy Industries (IHI)**, might join forces with ST-FA. It now seems the Japanese companies might join up with the Trafalgar House venture — a complete turnaround from 1985.

Such a link-up would present very powerful competition for ST-FA. The Japanese companies, which could supply the expertise and novel construction methods developed in building the second Bosphorus bridge, have also been talking to The Export-Import Bank of Japan about funding.

Two other consortia tendered for the contract. An Italian group — **Impregilo, CMF and Gressetta** — with the local **Eska** offered \$258 million, \$86.5 million higher than ST-FA. A venture of the Netherlands' **Ballast Nedam** with the local **Goktrans** quoted \$441 million.

Construction of the third bridge will be more difficult, because the first and second bridges have already taken the best sites for crossing the waterway. The third bridge will be about 500 metres south of the second bridge. At 1,700 metres, it will also be longer, with one main and two secondary spans, compared with the second bridge's single 1,090-metre span. Design is included in the contract.

Bids were received from:

- **ST-FA** (local) — \$171.5 million; construction period three years; 12 years' operation; participation by municipality in build-operate company negotiable
- **Trafalgar House (UK)** with **Enka** (local) — \$248.7 million; construction period 4.6 years; 12 years' operation; participation by

municipality in build-operate venture negotiable

□ **Impregilo, CMF, Gressetta** (Italy) with **Eska** (local) — \$258 million; four years' construction; 15 years' operation; municipality's participation negotiable

□ **Ballast Nedam** (Netherlands) with **Goktrans** (local) — \$441 million; 4.7 years' construction; 20 years' operation; 10 per cent participation by municipality after 13.2 years.

### IN BRIEF

● Bids for the Ankara metro were returned on 8 February. The successful contractor has been informed but not identified. A local/Canadian joint venture of **Gama** and **Urban Transit Development Corporation (UTDC)** was low bidder, at \$521.9 million (MEED 12:12:87). The level of participation required from the municipality's bus, electricity and gas utility, **EGO**, in the part build-operate project is expected to have influenced the outcome.

● Prime Minister Turgut Ozal on 4 February introduced a package of measures aimed at stabilising the lira. It includes an increased downpayment rate on imports, tighter controls on export receipts and a lowering of interest rates. On 9 February, he announced there would be a cutback in investments and a lower rate of growth in the economy. In reaction, the lira slipped back on the free market on 10 February to \$1 = TL 1,330, compared with the official rate of \$1 = TL 1,143.

● The State Hydraulics Agency (DSI) is to hand out TL 65,000 million (\$57 million) in delayed payments to contractors on hydroelectric projects, the Ankara daily Ebanewsletter says. Contractors have been slowing down their work because of the delays, the daily adds. Sites affected include Menzelet, Kilickaya, Kiralkizi, Altinkaya and Catalan.

● Eleven airports will be opened to private participation, Transport & Communications Ministry officials say. The airports — mainly provincial — are at Urfa, Nevsehir, Adiyaman, Aydin, Canakkale, Usak, Kayseri, Erincan, Samsun, Bodrum and Kartal in Istanbul.

● A visit by an IMF team has been postponed until May at the government's request, the Istanbul daily Hurriyet says. Observers say this will allow the authorities time to firm up the economic programme and try to get the economy back on course.

● Final negotiations have started between an Australian-led consortium and the government on construction of a 1,400-MW thermal power station at Gazi, near Yumurtalik in the southeast. The consortium, led by Australia's **Sea-pac Control Services**, includes the US' **Westinghouse Electric Corporation** and Japan's **Chiyoda Electric Power Corporation**. The talks, about subsidiary contracts, could run into difficulties, as Australian government support for the scheme is wavering. The Queensland government — which, under former premier Joh Bjelke Petersen, was to have been an equity partner — now has reservations about the scheme, as have federal government officials (MEED 2:1:88). This could affect the granting of cover for export credit finance by Australia's Export Finance Insurance Corporation (EFIC), the official agency.

● Plans to set up an aircraft factory making