

● Varying inflation rates have again been produced by the three main agencies. The annual rate of increase in wholesale prices to the end of September has been calculated at 34.4 per cent, 47.4 per cent and 35.3 per cent, respectively, by the State Institute of Statistics, the treasury and foreign trade undersecretariat, and Istanbul Chamber of Commerce. Corresponding rises in retail prices were 39.7 per cent, 38.6 per cent and 39.8 per cent. The government had originally set an inflation target of 20 per cent for the end of the year.

● **China State Civil Engineering Corporation** has submitted the TL 2,270 million (\$2.4 million) low bid for construction of a pretreatment works at Uskudar as part of Istanbul's sewerage project. It is followed by two local companies: **Uransan** offered TL 2,720 million (\$3.0 million) and **Aydinar** TL 3,330 million (\$3.6 million). Offers for contracts to build sea outfall drains at Kadikoy and Baltalimani will be opened later in October. Client for the World Bank-supported work is Istanbul Sewerage & Water Administration (ISKI). Consultant is the UK's **Taylor-Binnie** and the local **UBM**.

● The local **Penta Dis Ticaret** plans to build a styrene monomer plant at Aliaga petrochemicals complex, according to the executive director of its chemical trading division, Nesrin Erem. The London weekly **European Chemical News** says the company is seeking a foreign partner, possibly from the US or Japan, to help to finance the plant, which is expected to cost at least \$100 million. Planned output is 100,000 tonnes a year.

● The volume of Soviet natural gas imports in 1987 will be 30 per cent less than the contracted amount, because of delays in building a pipeline from the Bulgarian border to Ankara (MEED 29:9:87). Turkey will import 500 million cubic metres this year — rather than the original 700 million cubic metres — says the trade counsellor at the Soviet embassy in Ankara, Vladimir Kostikov. The government has contracted to pay for 70 per cent of the gas with goods and services. Kostikov says these will also be below the agreed amount.

● Turkey's largest privately-owned bank, **Turkiye Is Bankasi**, has opened a branch in West Berlin. The bank also has a branch in Frankfurt. Both are primarily intended to fund bilateral trade and the establishment of manufacturing and marketing companies in Turkey.

● The budget deficit in the first eight months of 1987 totalled TL 775,000 million (\$832 million), 47 per cent higher than in the corresponding period of 1986. The government's target budget deficit for 1987 is TL 920,000 million (\$992 million).

● **Istanbul Hava Yollari**, the country's largest private airline, plans to buy three Boeing 737-300 aircraft for a total \$85 million. A US bank consortium is to finance the deal.

● The government plans to sign an investment guarantee agreement with Japan, the Ankara weekly **Tebareport** says. Negotiations will be held in Tokyo from 27-29 October, the report says.

● The Japan International Co-operation Agency has submitted a study on Ankara's air pollution problems to the undersecretary for the environment. The report recommends building two integrated plants at Tuncbilek, to produce

annually 1 million tonnes of briquettes and 500,000 tonnes of smokeless fuel. The scheme would cost \$130 million. Japan's Overseas Economic Co-operation Fund has already expressed interest in providing credit.

● Municipal authorities in Canakkale, Eceabat and Gallipoli have set up a company to work on a proposed Dardanelles bridge and tunnel crossing. The firm, **Canakkale-Dogaz-Koprusu Tup**, has signed a contract for feasibility studies with an unidentified West German company.

● Kurdish separatists killed or wounded 22 people in a raid on a village in Siirt province on 10 October. The village, Cobandere, is only 10 kilometres from the Iraqi border.

● Romania's President Ceausescu will make his fourth visit to Turkey from 19-21 October. Two-way trade with Romania totalled \$152 million in the first eight months of 1987. Imports amounted to \$119.4 million (MEED 10:10:87).

● The Turkish embassies in Baghdad and Tehran will be responsible for Iraq and Iran's interests in each others' capitals. This follows the severance of all diplomatic ties between the two combatants in early October.

● Pakistan's President Zia ul-Haq has discussed a plan for Turkey to service and repair the Pakistani airforce's 40 US-made F-16 fighter aircraft. He announced the talks on 13 October on his return from a 10-day tour of Turkey, Jordan and Saudi Arabia (see Pakistan).

UAE

Lurgi wins chemicals plant order

West Germany's **Lurgi** has won a contract to carry out detailed design engineering for a \$71 million sulphuric and phosphoric acid plant to be built in Jebel Ali. The order also covers procurement and construction supervision up to commissioning of the 500-tonne-a-day complex, and staff training.

The plant is being built by **Emirates Narmada Industries**, a joint venture of India's **Gujarat Narmada Valley Fertilisers Company** and Cayman Islands-based investment company **Mozak International** (MEED 4:4:87). It is the first such venture for Mozak, which has previously been involved in investment and the commodities market.

Output will be taken by the Indian government in a 10-year buy-back arrangement. According to this, **Emirates Narmada** undertakes to provide India with all the production at international market prices. It cannot sell to any other party unless capacity is increased. New Delhi has a 20 per cent stake in the venture through **Gujarat Narmada**.

The contract for the design was not tendered but negotiated with **Lurgi** direct, **Emirates Narmada** says. Talks were also held with the US' **Lummus Crest, Nippon Kokan** of Japan and West Germany's **Salzgitter**. **Lurgi**'s process technology will be used for the sulphuric acid; Norway's

Norsk Hydro is licensing its system for the phosphoric acid.

The bulk of the project costs — \$60 million — will be spent on building the plant. Off-site facilities will include a 5,000-cubic-metre-a-day desalination plant and utilities.

Negotiations about supplying phosphate rock for the plant continue. **Emirates Narmada** says it is still talking to Jordan, Togo and Morocco about sales, and hopes to complete discussions in four months.

The scheme is intended to save India up to 20 per cent of the cost of freighting phosphate rock to obtain feedstock for fertilisers. Jordan supplies most of India's rock: in 1985/86 it provided 904,055 tonnes, valued at Rs 400 million (\$31.2 million).

Emirates Narmada hopes to issue tenders for construction of the plant to about 12 prequalified contractors by the end of the year. Construction is expected to take two years.

Rebids opened for Al-Ain sewerage project

The local **Admak General Contracting Company** has again emerged as the low bidder in the retender for contract M18, to expand Al-Ain's sewage collection and treatment network. Three companies submitted offers, which were opened on 14 October, compared with five in the first round of bidding in March.

All offers include two prices. The first is for ductile iron and asbestos cement pipes, and the second for glass-reinforced plastic pipes. They are:

□ **Admak** — Dh 137.7 million (\$37.5 million) for each

□ South Korea's **Dong Ah Construction Industrial Company** — Dh 143.3 million (\$39 million) and Dh 143.8 million (\$39.2 million)

□ Lebanese-owned, Athens-based **Consolidated Contractors Company (CCC)** — Dh 154 million (\$41.9 million) and Dh 154.7 million (\$42.1 million).

The locally registered **Biwater (Abu Dhabi)** and **Al-Wimpey Roads & Construction (Abu Dhabi)** did not bid this time.

The bidders have remained in the same order. All offers are, as expected, slightly higher than in the last round. **Admak**'s original low bid was Dh 134.8 million (\$36.7 million) and Dh 135.4 million (\$36.9 million).

The work, part of the second phase of the sewerage expansion, will double daily capacity to 54,000 cubic metres. Consultant is the UK's **D Balfour & Sons** (MEED 29:8:87, 7:3:87).

Al-Wahda sports complex gets a facelift

Abu Dhabi's Al-Wahda sports complex is to be upgraded and expanded in an