

1985 favoured for lot 2 (MEED 5:10:85; 29:6:85).

International tenders will probably start being issued in the autumn. The length of track being laid in the initial phase is put at 26 kilometres. It will begin, as planned, at Oued Koriche near the Bab el-Oued quarter, in the west of the capital. It will then run through the city centre to the Hama development, where it will divide in two. One branch will continue through Belcourt and El-Harrach to Dar el-Beida and Houari Boumedienne airport; the other will go further inland to Gue de Constantine.

The new route will allow the maximum use of overground systems, with only eight kilometres underground. About 20,000 passengers an hour are expected to use the system, on trains capable of carrying 1,000 people.

The original designs for the metro were done by France's **Sofretu**, for construction by its parent company, **Regie Autonome des Transports Parisiens (RATP)**. It was to have been 72 kilometres long. The work now is a modified version of the original project's first stage. The use of local firms and overground construction will reduce the total cost, which is seen as essential if the scheme is to go ahead at a time of austerity. Local reports say the project has so far cost AD 1,500 million (\$282 million), without one metre of track being laid.

### QNB arranges steel finance

The London branch of **Qatar National Bank (QNB)** has arranged a second trade finance operation for Algerian clients and expects further business to follow (MEED 26:3:88, Qatar). The facility is for £4.5 million (\$8.5 million) to refinance an 18-month letter of credit for **Banque Exterieur d'Algerie (BEA)**, syndicated through a group of major international banks.

BEA is acting on behalf of state steel company **Entreprise Nationale de Siderurgie (Sider)** to finance imports of steel from **Primary Industries (UK)**. QNB's previous deal, for \$13.65 million, was a trade finance facility for **Banque Nationale d'Algerie** acting for food company **Entreprise Nationale d'Approvisionnement en Produits Alimentaires (Enapal)**.

The deal reflects the continued flow of trade finance operations to Algeria. Sider is the country's leading industrial importer, with purchases put at AD 2,300 million (\$432.3 million) in 1987. It is also the top non-hydrocarbons exporter, with sales of AD 520 million (\$97.7 million) in 1987, according to director-general Messaoud Chittih.

Sider imports 75 per cent of its needs, Chittih told the weekly *Algerie Actualite*. Only investment, in the Bellara project and/or the development of the long products at the existing El-Hadjar complex, can offer a long-term solution to reducing costs, he says (MEED 2:4:88).

### IN BRIEF

● Two local companies, **Societe Nationale des Travaux Routiers** and Illizi-based construction firm **ETTRI**, plan to build a 420-kilometre road linking Illizi and Djanet in the southeast. The work — to start in 1989 — will link Djanet to the national road system. Studies were done by **Societe Algerienne d'Etudes d'Infrastructures (Saeti)**.

● State shipping company **Entreprise Nationale de Transport Maritime (CNAN)** has brought into service two bulk carriers from Japan to carry cereals and similar products. Both were built by **Tsuneishi Shipbuilding Company** in 1982-83 (MEED 9:1:88). According to CNAN projections, it will carry 154,874 tonnes of cereals and associated goods in 1988, compared with 93,546 tonnes in 1987.

● Correction: Austria's **Universale Bau** was omitted from a list of companies comprising **Groupement d'Entreprises Autrichiennes (GEA)**, the consortium it leads, which is working on the reconstruction and modernisation of the El-Harrach to Thenia railway line (MEED 12:3:88). Other GEA members are contractors **Porr International** and **Hofman & Maculan**, with **Siemens Oesterreich**, **Oesterreichische Brown Boveri-Werke**, **AEG Austria** and **Elin-Union**. Consultant is **Austria Rail Engineering**. GEA is still waiting for details of new work on the El-Harrach to Thenia line, as original specifications have been extended to include more track and earth-moving. Details of other projects awaited in the rail sector have yet to be decided. These may include technical assistance by Austrian firms on the Algiers metro (see above).

## BAHRAIN

### Al-Ahli declares big loss

**Al-Ahli Commercial Bank** has declared a net loss for 1987 of BD 5.5 million (\$14.6 million) against a profit for 1986 of BD 47,000 (\$124,000). The loss was due to an allocation of BD 6.4 million (\$17 million) to provisions. Shareholders' equity was cut by 25 per cent to BD 15 million (\$40 million).

General manager Gregory Krikorian commented that 1987 "was definitely a bad year." He added that the bank had

#### Al-Ahli Commercial Bank: results, 1986-87 (BD million)

	1987	1986	% change
Assets	155.2	144.5	+7.4
Loans	71.0	87.2	-18.6
Shareholders' equity	15.0	20.0	-25.0
Total income	4.2	5.1	-17.6
Provisions	6.4	1.7	+276.0
Net profit (loss)	(5.5)	0.05	—

Exchange rate: \$1 = BD 0.3765 (May 1988)

Source: Al-Ahli Bank of Bahrain

decided to face the reality of the market and take as much in provisions as it could. "We don't need the capital," he said, "we are more than adequate."

No dividend is being paid for 1987. In 1986, the bank paid a small dividend out of reserves.

### IN BRIEF

● The Amir, Shaikh Isa, has warned that other Gulf states may follow Saudi Arabia's lead in cutting diplomatic links with Iran. In an interview with the Kuwait daily *Al-Siyassah* on 26 April he said "other states may proceed to cut ties if tension increases and reaches the same state that relations between the kingdom and Iran passed through." He added: "There are those of us who think relations between it (Saudi Arabia) and Iran should have been cut a long time ago." About 60 per cent of Bahrain's population is Shia.

## CYPRUS

### British firm wins dam supervision

UK-based consultant **Rofe, Kennard & Lapworth (RKL)** has a contract to design and supervise construction of two dams in the foothills of the Troodos mountains in the centre of the island. The budget allocation for the Platys and Xylourikos dams is £C 5.3 million (\$11.7 million). Client is the Cyprus Water Development Authority (WDA), on behalf of the Agriculture & Natural Resources Ministry.

RKL will be paid a percentage of the total budget allocation, most of which will be spent on construction costs. The designs may be ready for tendering by the end of 1988, although delays may occur if they are costed by the WDA.

RKL is also studying the feasibility of building a dam to supply water to the British sovereign bases at Episkopi. The budget for this project is about £C 2.2 million (\$4.8 million). The company recently completed design and supervision work on the £C 27 million (\$60 million) Vasilikos Tendaskinos project to supply water to Nicosia.

### New boost for shipping

President Vassiliou has appointed Zenon Katsourides as his special adviser on shipping with responsibility for developing a new shipping policy. No other sector of the local economy has been given such a high profile in Vassiliou's administration.

Katsourides will assess existing proposals for a new merchant shipping act which were being developed by former president Kyprianou's government before the elections earlier this year. In December 1987, the former communications and works minister announced he would be investigating ways of promoting Cyprus as a key maritime centre. At that time the government was considering plans to update and consolidate all the shipping