

## Aid agencies step up funding

THE six national and regional development institutions increased their financing operations by 30 per cent in the last four months of 1987, to \$579.3 million, compared with the \$434.6 million between May and August. The increase largely reflects the \$128.3 million in finance from the Arab Fund for Social & Economic Development (AFESD), which was excluded from the mid-1987 figures prepared by the Kuwait-based funds' co-ordination secretariat.

The bulk of financing was arranged by the Jeddah-based Islamic Development Bank, which contributed \$194 million, or 33.5 per cent of the total. AFESD with \$128.3 million and the Saudi Fund for Development with \$103.9 million were the next largest institutions.

The funds were evenly spread among economic sectors: energy projects received 30.1 per cent of available finance, followed by agriculture (21.2 per cent), transport and telecommunications (20.5 per cent) and industry and mining (16.4 per cent). Arab countries were the principal beneficiaries, receiving \$367.5 million, or 63.4 per cent of the total, followed by Asia (21.1 per cent) and Africa (13.5 per cent).

The volume of operations for the year amounted to \$1,640.1 million, almost 10 per cent down on the concessionary loans of \$1,817.4 million arranged in 1986. The Islamic Development Bank (IDB) maintained its level of activities in 1987, moving into trade finance and other areas, but both AFESD and the Saudi fund reduced activity significantly.

The more than 30 per cent cutback in

### Arab development institutions' financing operations, 1986-87 (\$ million)

	Sept-Dec 1987	Total 1987	Total 1986
Islamic Development Bank	194.0	734.1	724.9
OPEC Fund	22.7	104.3	87.7
Saudi Fund	103.9	170.8	263.8
AFESD	128.3	255.0	361.2
KFAED	95.0	305.2	317.5
BADEA	35.4	70.7	62.3
<b>Total</b>	<b>579.3</b>	<b>1,640.1</b>	<b>1,817.4</b>

Source: Co-ordination Secretariat at the Arab Fund for Economic & Social Development, Kuwait

operations is understood to reflect increasing budgetary pressures on contributing states and the difficulty in identifying viable projects in developing countries. Many agencies are said to be having problems in finding projects which fit their overall lending criteria and have been forced to reduce their activities.

The 1987 activities bring to \$25,423 million total funding operations by the agencies since they set up in 1973. They hit their peak in 1981, when the level of funding reached \$2,801.2 million. Since 1983, when oil revenues of the contributing countries started to fall, the level of aid has remained well below \$2,000 million a year.

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ports in October 1987 – and a growth in local requirements have caused extensive deterioration to the Amman and Aqaba roads, and a shortage of vehicles. To increase the domestic fleet, nationals with vehicles registered outside the country before 16 April can bring them back, and pay customs and other dues over three years. Non-Jordanians or those in free-zones can get special registration plates for their vehicles for a twice-yearly fee of JD 600 (\$1,750). The rules also call for a gradual reduction in axle loads.

In addition, some old traffic laws are to come back into force. The Public Works Ministry has installed weighbridges at borders and other sites. Aqaba port and the phosphate and cement companies have also been ordered to install them.

## KUWAIT

### KIO invests in Brazil

The London-based **Kuwait Investment Office (KIO)** has built up a 7.4 per cent stake in a Brazilian investment fund launched on 31 March by New York-based **First Boston Corporation**. Twelve million shares, each worth \$12.50, were issued,

giving the fund a nominal starting value of \$150 million. By late April, shares were trading at \$10.25.

KIO built up its stake, worth about \$9.1 million by late April, between 31 March-12 April, according to the local AP-Dow Jones News Service.

The Brazil fund will make long-term investments on the Brazilian stock markets. Investment manager is New York-based **Scudder, Stevens & Clark**. First Boston has welcomed the Kuwaiti move, saying KIO's policy of making long-term investments only is well-suited to the aims of the Brazil fund.

### Improving the taste of drinking water

Plans to improve the quality of drinking water have been boosted by a decision to install recarbonation systems at three power and desalination plants.

The Electricity & Water Ministry has invited bids for a contract — MEW/22/4T/100-86/87 — to supply and erect recarbonation systems for distilled water at Doha East and West plants, and Al-Zour South. The plants together produce 150 million gallons a day of drinking water.

The systems are intended to maintain the

water's alkalinity at a certain level, reducing the problem of rust.

Bids are due in by 5 July; a 2½ per cent bid bond is required. Ten international firms have prequalified:

□ UK: **Portals Water Treatment**

□ West Germany: **Krupp Industrietechnik; Preussag AG Bauwesen**

□ Japan: **Ishikawajima-Harima Heavy Industries (IHI); Sumitomo Heavy Industries; Mitsubishi Heavy Industries; Sasaki Engineering Company; Chiyoda Chemical Engineering & Construction Company**

□ France: **Degremont; Omnium de Traitements & de Valorisation.**

The same companies prequalified for a similar contract at the Shuwaikh plant, let in July 1986. The \$10.2 million order was awarded to Sumitomo (MEED 2:8:86; 28:6:86; 22:3:86).

## IN BRIEF

● The **Ports Public Authority (PPA)** has invited international companies to prequalify for a contract to supply and install electronic control systems to monitor ships' movements at ports. The system includes integrated communications and control centres at the Ras al-Jouza, Shuwaikh and Failaka island control towers. A radar station will also be built at Failaka. The three systems will be connected to the microwave network. Applications should be submitted to the PPA by 9 May.

● The Central Tenders Committee has invited companies to prequalify for future installation and maintenance work on the telephone system. Forms should be completed and returned to the committee before 18 June.

● Seven tenders have been announced to furnish and equip the new military hospital for the Public Health Ministry. The tenders are to supply: medical records; refrigerators and kitchen equipment; linen; non-medical furniture; furniture for pharmacies; hospital records; and stationery and printing materials. Bids have already been requested for the supply of X-ray equipment for the 250-bed hospital (MEED 9:4:88).

● A bomb exploded at the local office of **Saudia**, Saudi Arabia's national airline, on 27 April. Police say the blast injured a security guard and caused extensive damage. The explosion is the latest in a series of bomb attacks blamed on pro-Iranian militants (MEED 22:4:88).

## LEBANON

### Car bomb fuels fears of bloody election campaign

The 23 April car bomb explosion in a crowded marketplace in Tripoli has been seen as an ominous sign of more violence to come during the presidential election campaign. The bomb left more than 66 people dead, and was the most serious

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