

Ramazaniapour. Ramazaniapour held talks with the commerce, heavy and light industry ministers and visited the Iranian pavilion at the 24th Algiers international fair.

● The Mauritanian towns of Akjoujt and Zouerat have received equipment including trucks, trailers, water tanks and tractors from their Algerian twin towns of Staoueli and Ouenza.

BAHRAIN

● **Bahrain National Gas Company (Banagas)** produced 3.2 million barrels a day (b/d) of liquefied petroleum gas (LPG) in 1987. This was the highest daily average since 1979 — its first year of operations — and 5 per cent up on the 1986 average of 3.06 million b/d. Sales increased by 19 per cent to \$37.6 million and operating profit was steady at just above \$5 million. The increases are attributed to higher production and greater efficiency. Banagas plans to expand daily processing capacity at its plant to 7 million cubic metres from 4.8 million cubic metres (MEED 9:4:88).

CYPRUS

Denktash offers to meet Vassiliou

The leader of the self-proclaimed Turkish Republic of Northern Cyprus, Rauf

Denktash, says he is ready for unconditional talks with Greek Cypriot President George Vassiliou about the future of the divided island.

In March, Denktash insisted any talks must be based on a proposal put forward by UN Secretary-General Javier Perez de Cuellar. The proposal has been rejected by Greek Cypriots.

Denktash issued his statement on 6 July after a three-day visit to Ankara, where he met Turkey's President Evren and Prime Minister Turgut Ozal.

Vassiliou has refused previous offers to meet Denktash on the grounds that unacceptable preconditions have been attached to any meeting.

EGYPT

COVER STORY see page 2

Italy takes Esna dam contract

An Italian consortium has finally been awarded a letter of intent for an estimated \$170 million contract to build a dam across the Nile at Esna, in Upper Egypt. The award follows months of negotiations, in the course of which the Italian group agreed to make changes to technical and

financial aspects of its offer. The group — **Impregilo, Cogefar** and **Gruppo Industrie Elettromeccaniche per Impianti all'Estero (GIE)** — plans to start work on the diversionary canal for the dam in September (MEED 24:6:88).

Bids for construction of the dam, which will replace the old Esna barrage, were submitted by 12 international groups in December 1986. The field was eventually narrowed to three bidders — the Italian group, Yugoslavia's **Energoprojekt**, and a Canadian consortium of **The SNC Group** and **Canadian International Construction Corporation**.

The Italian group brought in Switzerland's **Sulzer-Escher Wyss** to design the six 14.6-MW turbines for the dam's hydroelectric plant after the **Egyptian Electricity Authority** expressed reservations about the original designs.

The consortium also agreed to comply with the requirement that prices in tenders should be quoted either in dollars or in the currency of the equipment's country of origin. The bulk of the foreign currency component in the original bid was in Deutschmarks, but is now in dollars.

Financing includes mixed credits and a IL 25,000 million (\$18 million) grant for technical services. A formal contract award is expected soon, subject to the approval of the government's higher policy committee.

THE SPECIAL-PURPOSE CARRIER OF PIPE JOINTS PV-203

THE
OFF-THE-ROAD
OR ANY-ROAD
TRAIN

- * made of the powerful cross-country KrAZ-260 Tractor and a pole trailer
- * specifically devised for hauling pipes for gas and oil pipelines, 12m long, 530 to 1420mm in diameter — in double or triple joints up to 36m long, along the path of a pipeline being constructed

- * the Tractor is complete with a device for carrying its own pole trailer

The pipe joint carriers significantly speed up pipeline construction



Requests for more information are welcome at:

V/O CHIMMASHEXPORT
35, Mosfilmovskaya U1.
117330 Moscow, USSR.

Tel: 143-86-63
Telex: 411068 TEHEX SU
411228 TECEX SU

Civil works valued at \$80 million are to be done by Impregilo and Cogefar. The \$90 million power plant is to be built by GIE, with **Ansaldo, Franco Tosi Ingegneria** and **Riva Calzoni** — all of Italy — and Romania's **Romenergo**.

The earth and rockfill dam will be 20 metres high and 800 metres wide. It will impound 7,000 million cubic metres of water, to be used to irrigate 125,000 hectares of farmland. Construction is set to be complete in five years. The existing barrage has been eroded because of the reduction of silt carried downstream following the construction of the Aswan High Dam. The new Esna dam will improve water management and navigation. This is of particular importance because of the fall in the level of the Nile.

Paris Club deals all signed — except with Japan

A flurry of bilateral rescheduling agreements signed in late June and early July means that Japan is now the only one of the 17 Club of Paris creditors yet to finalise its debt deferment package. A dispute about the interest rate to apply to the rescheduling held up agreement with six creditors for several months. But agreements were finally reached as the 18-month period covered by the Paris Club deal ended on 30 June (see page 2).

The latest agreements — to reschedule about \$1,000 million in total — were signed with Australia, Switzerland, the UK, Canada, Sweden and Norway. Bilateral terms were earlier agreed with 10 other OECD creditors — including France, the US, West Germany, Spain, Austria and Italy — to reschedule more than \$5,000 million in total.

The Japanese package is put at about \$300 million. Until terms are agreed with Tokyo, the Paris Club will not be able to discuss the 18-month extension the government has requested. A meeting with a Japanese team is expected in early August.

Diplomats say both sides compromised to secure the six new bilateral agreements. However, most creditors insisted that the interest rate should be no lower than 1/2 per cent above the prime rate applicable. Some other forms of concessions were made by the creditors, such as agreeing not to charge compound interest in the case of arrears being run up.

France, UK to supply computer kits for schools

The Education Ministry has selected standard French and UK systems for a scheme aiming eventually to equip 10,000 schools with computers.

Contracts have been signed with France's **Laboratoires d'Electronique & d'Automatique du Nord (Leanord)** and the UK's **Acorn Computers** for the supply of computer kits to be assembled locally by

Benha Electronics Company at its factory 50 kilometres north of Cairo. The order is part of a pilot project to prepare the way for introducing computer learning throughout the school system.

The contracts — valued at about \$1 million in total — call for the supply of components for 1,000 Leanord computers and 650 BBC micro computers from Acorn. The computers will be programmed in Arabic. The French and British governments will provide training through their educational and cultural missions in Cairo.

Saleh Kamel unveils investment drive

Jeddah-based business magnate Saleh Kamel is pressing ahead with plans to set up three giant holding companies, with a combined capital of £E 600 million (\$230 million), to channel investment into industry, agriculture and tourism.

National Bank of Egypt is acting as agent for the foundation of the companies, 40 per cent of whose capital will be publicly subscribed. Work has already started on issuing the founders' capital. Each founder will have to take at least 500 £E 50,000 (\$21,700) shares.

The companies are:

□ **Al-Multaqa Arab Company for Industrial Investment**, being set up with £E 300 million (\$130 million) capital by Jeddah-based **Al-Baraka Company for Investment & Development**. The venture has identified 26 projects to pursue in engineering, electronics, chemicals, textiles and food industries.

□ **Al-Multaqa Arab Company for Agricultural Investment**, being set up with £E 200 million (\$87 million) capital by Cairo-based **Dallah International Holding Company**. It will invest in land reclamation, livestock and fish farming.

□ **Al-Multaqa Arab Company for Real Estate & Touristic Investment**. This will be capitalised at £E 100 million (\$43.5 million). It is being set up by the Jeddah-based **Dallah Group**.

Al-Baraka and Dallah — both parts of Kamel's business empire — already have a strong presence in Egypt. Al-Baraka recently received Central Bank of Egypt approval for its bid to take a substantial stake in the troubled **Pyramids Bank**. Dallah is involved in several agricultural schemes (MEED 5:12:87).

MAIB increases capital

Bank of America's Cairo-based joint venture has decided in principle to treble its capital to help it operate more effectively after a string of disappointing results. The venture — **Misr American International Bank (MAIB)** — is to hold its annual general assembly of shareholders on 28 July. A special meeting will be held the

same day to amend the bank's articles in the light of the capital increase and the introduction of new shareholders.

The new capital will be £E 45 million (\$19.5 million), up from £E 15 million (\$6.5 million). The main change in the equity structure will be the introduction of **Banque du Caire**, which will take a 17 per cent stake. Two other state-owned concerns — **Misr Insurance Company** and the **Development Industrial Bank** — will each have 17 per cent. Bank of America will retain its 40 per cent stake. The remaining 9 per cent will be shared equally between **Kuwait Real Estate Bank** and Luxembourg-based **Red Sea Enterprises**. Red Sea — part-owned by the Saudi political and business figure Kamal Adham — has taken over the shares of **First Arab Corporation**.

In early 1987, the Central Bank of Egypt turned down a bid by **Al-Rayan** Islamic investment company to participate in raising MAIB's capital (MEED 6:6:87).

Profits steady at Barclays

Banque du Caire Barclays International: results, 1986-87 (£E million)

	1987	1986
Assets/liabilities	475.2	329.3
Loans and advances	290.3	239.7
Deposits	322.4	195.5
Capital	10.0	10.0
Pre-tax profit	0.53	0.57

Exchange rate: \$1 = £E 1.87 (1987); \$1 = £E 1.36 (1986)

Source: Banque du Caire Barclays International, Cairo

Profits fell slightly at **Barclays Bank's** Cairo-based joint venture in 1987, reflecting the general downturn in business and the constraints on lending imposed by the banking authorities.

Loans and advances rose by 21 per cent compared with the previous year, but much of this increase was attributable to the local currency's devaluation. Exchange rate factors also played a large part in the 65 per cent rise in deposits, as the bulk of these are held in foreign currency.

The bank's shareholders are **Banque du Caire** (51 per cent) and **Barclays Bank** (49 per cent).

IN BRIEF

● Prime Minister Atef Sedki led a high-ranking team, including nine ministers, on an early-July visit to Iraq to discuss strengthening economic co-operation. It was agreed to increase trade to \$400 million a year. The team also discussed a scheme to develop 3 million hectares of farmland in Iraq with Egyptian assistance.

● Technical offers have been submitted by about 12 international groups for a contract to build a 300-MW thermal power station in Asyut, Upper Egypt (MEED 2:4:88)