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Cyprus will apply the same tariffs as the EEC to non-EEC imports.

The EEC is the island's main trading partner, accounting for 54 per cent of its imports and 28 per cent of exports. Cyprus has enjoyed preferential trade terms with the EEC as part of a 1973 co-operation agreement, but Foreign Affairs Minister George Iacovou says the customs union represents a "landmark in Cyprus' relations with the EEC." However, he says the island has no immediate plans to apply for EEC membership.

Arab banks join in government loan

Four Arab banks are to participate in a \$70 million loan to the Republic of Cyprus being syndicated by the UK's **Chase Investment Bank**, **AlAhli Bank of Kuwait**, Bahrain-based **Gulf International Bank** and **Libyan Arab Foreign Bank** will each put in \$7 million. Paris-based **Kuwaiti-French Bank** will put in \$1 million.

The loan will be signed around 25 November, Chase says. Interest rates will be set at 37½ points above the London interbank offered rate (Libor) for the first four years, and at 50 basis points above Libor for the last four. Repayments will be made over eight years, including five years' grace.

IN BRIEF

● The 1988 ministerial conference of the Non-Aligned Movement will be held in Nicosia from 5-10 September. It will take place in an international conference centre now being built. The centre is to be finished in July at a cost of £C 3 million (\$6.2 million).

● Two exhibitions are to be held at the Cyprus international fair grounds from 21-29 November. Hi-fi, Sound & Vision '87 will deal with musical instruments; Phototec '87 will contain exhibitions organised by the Cyprus Photographic Society.

● Turkish-Cypriot leader Rauf Denktash began a short visit to West Germany on 20 October as a guest of The Association for Southeastern Europe, a cultural organisation. He will address conferences in Munich and Hamburg. He returns on 4 November after spending one week in the UK.

EGYPT**Uhde bids low for fertiliser works extension**

The lowest of three bids — all West German — for a contract to extend the Abu Qir fertiliser works has been submitted by **Uhde**.

The prices, opened on 19 October at the Alexandria headquarters of **Abu Qir Company for Fertilisers & Chemicals Industries**, were:

□ **Uhde** — DM 315.8 million (\$175.3 million), plus £E 58.4 million (\$26.3 million)

□ **Mannesmann** — DM 350 million (\$194 million), plus £E 74.9 million (\$33.8 million)

□ **Linde** — DM 423.2 million (\$235.1 million), plus £E 100.6 (\$45.4 million)

The scheme is being financed by concessionary loans totalling DM 230 million (\$128 million) from Kreditanstalt fuer Wiederaufbau (KfW), plus credits of up to DM 105 million (\$58 million) backed by West Germany's export credit agency, Hermes. A total £E 75 million (\$32 million) has been pledged in local funds (MEED 26:9:87; 6:12:86).

Technical offers were submitted in late 1986, for evaluation by the client and the consultant, **Scientific Design Company** of the UK. A contract award is expected by the end of 1987, industry observers say.

The plant will run on natural gas from the offshore Abu Qir field. It will have a daily production capacity of 1,000 tonnes of ammonia, 1,800 tonnes of nitric acid and 2,300 tonnes of ammonium nitrate. Completion time is 36 months.

It will complement a 450,000-tonne-a-year ammonia/urea plant already built on the site by a consortium of Uhde and Mannesmann.

International contractors are also lining up for an ammonium nitrate plant to be built at Suez for **Societe d'Engrais & d'Industries Chimiques (Semadco)**. Bids for the 1,000-tonne-a-day unit are expected to be invited by the end of November (MEED 3:10:87).

Canada follows up Delta irrigation scheme

The SNC Group of Canada is negotiating its second contract in a scheme to counter erosion and improve irrigation in the east Delta province of Daqahliya.

The new order — valued at about \$Can 10 million (\$7.7 million) — is aimed at dealing with some of the effects of the Aswan high dam on the Nile basin. It is to be financed by a grant from the Canadian International Development Agency (CIDA).

The SNC Group is also the main contractor for a \$Can 75 million (\$58 million) scheme to improve drainage and irrigation systems in Daqahliya. This contract — also financed by CIDA — was signed in early 1987 (MEED 9:5:87).

The new scheme covers about 21,000 hectares of farmland. It will study ways to prevent the erosion of river and canal banks, and to reoxygenate canal water. The SNC Group will be working with a government research institute set up to find ways to combat the ill-effects of the Aswan dam on the environment. The principal effect has been a reduction in silt carried downstream by the Nile. This has resulted in severe river bank and coastal erosion.

The Canadian company is also part of a consortium shortlisted for a contract to rebuild the Esna dam, which has been

eroded because of the drop in silt levels in the Nile (MEED 17:10:87).

West of Daqahliya, at Rosetta, work is going ahead on a project to protect the shoreline and the Nile banks from erosion. This project is being carried out by Taiwan's **Ret-Ser Engineering Agency**, in an estimated \$40 million contract signed in 1986 (MEED 22:11:86).

Bids called for water treatment plant

International bids have been invited for an estimated DM 20 million (\$11 million) contract to build a water treatment plant in the Delta area of Kafr el-Shaikh. It is the first construction contract to go to tender in the Kafr el-Shaikh scheme, which is being financed by loans and grants totalling DM 100 million (\$55 million) from West Germany's Kreditanstalt fuer Wiederaufbau (KfW). Bidding is open to all qualified contractors, despite the official West German financing (MEED 11:7:87).

The treatment plant is to be built at Hamul with a capacity of 600 litres a second. Closing date is 3 January. The turnkey contract will include civils, mechanical and electrical works. Bids are to be invited over the next six to eight months for other contracts, including treatment plants, pumping stations, pipelines and reservoirs.

The scheme is being overseen by **Kafr el-Shaikh Consultants (Kescorn)**, which has a DM 20 million consultancy contract signed in 1986. Kescorn comprises three West German firms — **Dorsch Consult**, **Lahmeyer International** and **GKW Consult** — and the local **Utilities** and the **Egyptian Consulting Group**.

Its work includes preparing designs, evaluating tenders, supervising construction and setting up a local water board to manage the upgraded water network on completion of the project.

The KfW funding consists of concessionary loans totalling DM 93.4 million (\$51.3 million) and DM 6.6 million (\$3.6 million) in grants. The government is to allocate local currency funds totalling £E 115 million (\$52 million). Client is the National Organisation for Potable Water & Sanitary Drainage (NOPWASD).

West of Kafr el-Shaikh, in Beheira governorate, NOPWASD is preparing to award contracts for the construction of four water treatment plants. An estimated \$25 million order for two of the plants — at Nuberiya and Kafr el-Dawar — is being negotiated with a consortium of **Degremont** and **Fougerolle**, both of France, and the local **Sami Saad**. This contract is to be financed by a French credit line.

Six bids for the construction of water treatment plants at Demanhour and Idfina are being evaluated by NOPWASD and consultant **Binnie-Taylor (Egypt)**, a joint venture of two UK firms — **Binnie &**