

between Djemaa and Skikda. Client for all three schemes is Sonatrach (MEED 22:16:5:4:85). In addition, Eximbank is backing **JGC Corporation's** bid for the GK-2 gas pipeline, tendered by **Soneigaz**, and Japanese offers for a linear alkyl benzene (LAB) plant (MEED 9:5:87).

#### IN BRIEF

● India's **Water & Power Development Consultancy Service (Wapcos)** expects to complete studies on the estimated \$150 million Oued Mellouk dam before the end of August. A draft report has already been approved by the client, the Hydraulics, Environment & Forestry Ministry. Wapcos began design work on the planned 47-metre-high structure in 1984 (MEED 18:5:84). The dam, on the Rouina river in Chlef wilaya (governorate), would impound 65 million cubic metres of water. Wapcos' contract also covers the preparation of tender documents for the dam's construction. The firm had to choose between two sites indicated in an initial feasibility study by a French consultant.

● Yugoslavia's **Inpros** has been asked to supply technical expertise for two construction projects, the Yugoslav economic daily Privredni Pregled reports. The first is for reconstruction work in the centre of Oran, plus a new commercial complex there, using plans drawn up by Yugoslavian designers. The other is for reconstruction and extension of Algiers airport according to designs by West Germany's **Codema International** (MEED 6:12:86). The method of payment for the schemes should be agreed by the end of July — Inpros suffered payment problems on recent housing contracts in Algeria (MEED 11:4:87).

● The government intends to become a full member of the General Agreement on Tariffs & Trade (GATT), according to reports from Geneva. Algeria is now a provisional member.

● The local **Entreprise de Développement des Industries Chimiques (EDIC)** is studying two projects to increase the output of resins for paint manufacture, the semi-official daily El-Moudjahid reports. The first scheme, at Sig, entails increasing the capacity of an existing resins plant from 12,000 to 22,000 tonnes a year. The second project calls for building a resins unit at Lakhdaria with a capacity of 7,500 tonnes a year. Both projects will be started in 1987 on behalf of **Entreprise Nationale Algerienne de Peintures (ENAP)**; EDIC will supervise purchasing and construction work at the two factories. ENAP originally intended to build a resins complex with a capacity of 23,000 tonnes a year; this was scrapped in favour of the smaller projects.

● Correction: **Entreprise Nationale de Siderurgie (Sider)** points out that the El-Hadjar wire rod mill is running at 60 per cent of capacity, not 15-20 per cent as reported (MEED 7:3:87). The mill, supplied by East Germany's **Sket Export Import** in the 1970s, had a "ready to sell" production in 1986 of 327,000 tonnes. The mill's capacity is 540,000 tonnes a year.

## BAHRAIN

### Ret-Ser wins air base job

A low bid of \$89.2 million from Taiwan's **Ret-Ser Engineering Agency** has

clinched the contract to build the Shaikh Isa military air base in the south. Ten companies quoted up to \$148 million for the turnkey job.

Next lowest bids were put in by South Korea's **Hyundai Engineering & Construction Company**, with about \$99.5 million, and **Manufacturing & Building Company (Mabco)** of Saudi Arabia. Its initial bid was \$106 million, later negotiated to just below \$99 million.

Work on the two-year scheme began officially on 20 May. Ret-Ser says it expects to award a significant amount of the project to local and other subcontractors.

The local **Ali Bin Ebrahim** group — Ret-Ser's local sponsor — has a letter of intent for 25-30 per cent of the work. Its share includes earthworks, asphaltting, supply of cement, and construction of temporary offices outside the air base boundary. The contract is subject to approval by the US Army Corps of Engineers (USACE), which has been working closely with the client, the Bahrain Defence Force (MEED 28:2:87).

Mechanical and electrical works are expected to be let in four to six weeks, Ret-Ser says.

Work at the base, formerly known as Suman air base, entails building runways, taxiways, hangars and accommodation. USACE, which drew up the initial designs, will provide construction management help during the contract period. Detailed designs were done by a joint venture of the US' **DMJM International** and Saudi Arabia's **Al-Hejailan A/E Consultants**.

#### IN BRIEF

● Tender closing date for the estimated BD 22 million (\$58.4 million) international airport expansion has again been put back, to 9 June. The submission date had already been extended to 19 May, from 7 April, at contractors' request. Twenty-six companies prequalified for the Works, Power & Water Ministry job. Consultant is a UK team led by **Scott Wilson Kirkpatrick & Partners** (MEED 25:4:87).

● Tenders for construction of **Gulf Aluminium Rolling Mill Company's (Garmco's)** estimated \$35 million aluminium foil mill are not now expected to be issued until the end of 1987, the company says. They had been expected to be issued in May or June. Garmco produced 30,000 tonnes of rolled aluminium in 1986, its first year of production. Eighty per cent of output was exported, to Gulf states, the US, Europe and Japan (MEED 7:2:87).

● Refined oil exports in 1986 rose by 41 per cent, to 89 million barrels, from 1985's 62.9 million barrels. Revenue reached \$1,670 million, government figures show; the average price was \$18.70 a barrel.

● Six companies are on the shortlist to bid for an estimated BD 1.5 million (\$4 million) contract to build the island's first compost works, in Tubli. They are: **Buehler Gebroeder** and **Dano**, both of Switzerland; Austria's **Voest Alpine**; **Newell Dunford Engineering** of the UK; Denmark's **Kruger**, and **OTV** of France. Tenders should be issued in about two months, says the client, the

Works, Power & Water Ministry's central municipal council. The 120-tonne-a-day p... works, will take about 18 months to build. The project is being carried out with the UN Industrial Development Organisation (UNIDO — MEED 7:2:87).

## EGYPT

### Taiwan clinches port work

A contract to build a multi-purpose berth at Port Said was signed with Taiwan's **Ret-Ser Engineering Agency (RSEA)** on 19 May. The order is valued at £E 21 million (\$15.6 million, according to the \$1 = £E 1.35 exchange rate specified for the project when bids were invited in early 1986). Foreign currency costs are being financed from a \$37.5 million World Bank loan. Client is the **Port Said Port Authority** (MEED 22:11:86).

RSEA's offer was the third-lowest. The original low bidder was Japan's **Penta Ocean Construction Company**, with £E 16.5 million. However, Penta Ocean dropped out of the reckoning because it had used the wrong exchange rate — \$1 = £E 0.83 — to calculate the local currency equivalent of the foreign exchange portion of its bid. The second-lowest bid was an alternative offer of £E 18.9 million (\$14 million) submitted by a joint venture of the local **Canal Harbour Works Company** and West Germany's **Hochtief**.

The work entails building a 250-metre berth alongside a container terminal, which was completed in late 1986. The World Bank loan will also finance the supply of cranes to serve the berth and the terminal.

The Taiwanese company won its first contract in Egypt in early 1986 — a \$40 million order to carry out shore protection work at Rosetta. This project, for completion in 1990, is reported to be progressing well. Plans are in hand to extend the scheme, industry observers say (MEED 22:11:86).

RSEA is also among the bidders shortlisted for the estimated \$200 million Esna dam contract (MEED 16:5:87).

### Growth targets set for new five-year plan

The five-year plan for 1987/88-1991/92 aims at achieving an annual growth rate of 5.8 per cent compared with the 8 per cent target in the previous plan. The new plan and the budget for 1987/88 — which takes effect on 1 July — are to be debated by the people's assembly in early June.

The plan calls for gross domestic product (GDP) to increase to £E 54,400 million (\$25,070 million) in 1991/92, from £E 40,800 million (\$18,800 million) in 1986/

continued on page 10

**EGYPT** continued from page 7

87. GDP is set to rise to £E 43,100 million (\$19,860 million) in 1987/88.

Total investment for the life of the plan is projected to reach £E 46,500 million (\$21,430 million), including £E 18,000 million (\$8,300 million) from the private sector. The bulk of public-sector investment – 49 per cent – will be for new projects, or extensions to existing schemes; 30 per cent will be for the completion of projects, and 21 per cent for repairs, upgrading and maintenance.

The plan calls for 1987/88 investment to total £E 8,600 million (\$3,960 million), including £E 2,800 million (\$1,290 million) from the private sector. External financing for public-sector investment is to be restricted: 7 per cent from grants, 12 per cent from loans and 7 per cent from other foreign credits. The remainder is to be financed from domestic sources.

Detailed information on the economy's performance in the previous five-year plan is not yet available. However there are clear indications that many of the plan's targets were not met. Actual growth rates, for example, were lower than the planned 8 per cent a year.

The government has told the IMF that the gross budget deficit in 1987/88 will be restricted to 13 per cent of GDP, compared with 15 per cent the previous year. However, analysis of the budget has been complicated by the fact that figures for actual spending are not immediately available (see page 8).

**EgyptAir ponders Boeing 747 purchase option**

National carrier **EgyptAir** has until mid-June to decide whether to go ahead with a planned purchase of two Boeing 747-300 passenger jets. The option to buy the two airliners expires on 15 June. A \$47 million downpayment – representing 20 per cent of the contract price – is expected to be made in early June, assuming EgyptAir decides to proceed (MEED 9:5:87).

EgyptAir confirms that it is holding talks with several US banks and a local banking group about a commercial loan to finance the bulk of the contract. If financial backing is secured, the aircraft should be ready for delivery by June 1988.

The airline signed an agreement on 20 May to lease a Boeing 747/200-200B from Copenhagen-based **Scandinavian Airlines System (SAS)**. The aircraft – on a dry lease, meaning EgyptAir will provide pilots and crew – is for use on the North Atlantic run. It will replace a similar Boeing leased from **Alitalia**. The SAS 747 will come into service on 1 June. The lease is for 12 months.

New York-based **Irving Trust Company** is reported to have submitted a proposal to refinance part of a loan provided by The Export-Import Bank of the US (Eximbank) for the purchase of three Boeing 767s. The

\$173 million contract for the three aircraft was signed in early 1984. Eximbank covered 85 per cent of financing (MEED 20:1:84).

**Bids in for provincial wastewater scheme**

Technical offers for a contract to upgrade wastewater facilities in three provincial cities have been submitted by three US companies. Prices are to be invited in July. The estimated \$60 million contract – covering Fayoum, Minya and Beni Suef – is being financed by a grant from the US Agency for International Development (USAID – MEED 25:10:86).

The bidders are **Chicago Bridge & Iron Company, Harbert International** and **LA Water Treatment Corporation**. Eight US firms prequalified. Client is the National Organisation for Potable Water & Sanitary Drainage (NOPWASD).

Negotiations about an estimated \$5 million construction management contract for the scheme have started with a US joint venture of **Harza Engineering** and **James M Montgomery Consulting Engineers**. Six US consultants were shortlisted for the job.

In Cairo, several US companies have applied to prequalify for a contract to build a wastewater treatment plant at Abu Rawash, southeast of the city. USAID has allocated \$100 million towards the contract – no 29 in the Greater Cairo Wastewater Project. Japan is expected to provide additional finance for mechanical and electrical work (MEED 21:3:87).

**IN BRIEF**

● International and local companies have been invited to prequalify for five contracts in a scheme to expand El-Dikheila port, east of Alexandria. The work is to be financed from a \$132 million World Bank loan allocated for the port: so far, \$30 million has been disbursed for work in progress or completed. The contracts include dredging, supply of beacons, navigation aids, and electrical and communications equipment (see Tenders).

● Italy's **Nuovo Pignone** has a IL 13,000 million (\$10 million) contract to install a computerised control system for Cairo's water supply network. The system, including two central units and 36 outside terminals, is to start up in 1988.

● Bids have been invited for the construction of administrative buildings and other site facilities at the Shoubra el-Khaima power station in north Cairo. Tender documents are available from **Egyptian Electricity Authority** from 24 May. Bids are for submission in August. Finance will include funds from the various international loans provided for the construction of the four-by-315-MW plant. Work is now going ahead on the fourth unit (MEED 21:3:87).

● Four major Arab banks have said they are prepared to offer facilities to enable Egyptian workers in Kuwait and Saudi Arabia to remit their earnings, says Mohamed Abdel-Aziz of the Federation of Egyptian Banks. Abdel-Aziz visited the Gulf after the latest exchange rate reform to study ways of channelling remittances through the banking system, rather than

unofficial currency dealers (MEED 16:5:87, page 12).

● Opposition press reports that GCC states have provided \$1,000 million to help Cairo to service its military debts have been denied by Central Bank of Egypt governor Salah Hamed. Bankers say there is evidence that Kuwait and Saudi Arabia have transferred large sums in recent years to pay for Egyptian military exports to Iraq.

● Armed forces chief-of-staff General Ibrahim Abdel-Ghaffour el-Orabi has denied opposition press reports that there is a secret subversive organisation operating inside the armed forces. He said no such organisation exists, morale in the armed forces is good and the public has full confidence in the military. He called on the press to show greater respect for the accuracy of its reporting. The original report was carried by Al-Shaab, the weekly newspaper of the Socialist Labour Party.

● The government is persisting in its crackdown on Islamic activists in the wake of the 5 May assassination attempt on former interior minister Hassan Abu Basha, Cairo reports say. Thousands of people are said to have been detained for questioning since the attack, which was blamed on Islamic groups. Police say they have arrested two prime suspects in the case. Abu Basha, who was badly wounded in the arm and leg, has received surgery in West Germany.

● Joint military exercises with the US are to be held in August, Reuter reports.

● A Soviet trade team arrived in Cairo on 18 May for a one-week visit. Talks will deal with trade ties in the light of recent amendments to economic agreements (MEED 9:5:87; 21:3:87).

● Talks about trade were held with an Iraqi team in Cairo in late May.

**IRAN****Plessey in talks for major telecom order**

The UK's **Plessey Major Systems (PMS)** is engaged in "very serious negotiations" to supply the Posts, Telephones & Telegraphs (PTT) Ministry with up to 1 million lines of its System X digital telephone exchange equipment. A contract could be worth well above £100 million (\$166.3 million).

Plessey negotiators are in Tehran, and an Iranian team has recently visited the PMS plant in Liverpool that produces System X exchanges, says PMS chief executive Ken Lilley.

PMS is competing with several international telecommunications companies, particularly **NEC Corporation** of Japan and **Siemens** of West Germany. Both have supplied pilot models of their respective NEAX and EWSD digital exchanges for local evaluation. A Siemens EWSD exchange with 10,000 subscriber lines went into service in Iran at the beginning of 1986.

Both companies are long-established suppliers of telecommunications equipment to Iran. Siemens helped to set