

Germany's **Uhde** and France's **Roussel-Uclaf**. Designs for the factory, which will provide employment for about 240 people, were done by West Germany's **Koppenhoefer** (MEED 2:1:88).

Profits rise at Riyadh Bank

Riyadh Bank showed a small increase in profits in the first three months of 1988, making it the kingdom's eighth commercial bank to record an improvement over the corresponding period of 1987.

The bank, the kingdom's second-largest, increased net earnings by 5 per cent to SR 44.4 million (\$11.8 million) between January and March. Improvements in its portfolio allowed it to reduce provisions by nearly half compared with the first quarter of 1987. Assets, deposits and placements all increased in the period, but loans and advances continued to decline. However, since December 1987, when loans and advances stood at SR 9,209 million (\$2,456 million), they have fallen by less than 1 per cent.

Of the eight banks that have reported unaudited first-quarter results, seven have recorded an improvement in net earnings. The eighth, **United Saudi Commercial Bank**, reduced its losses (MEED 13:5:88; 6:5:88).

Riyadh Bank: results, January-March 1987-88¹ (SR million)

	1988	1987	% change
Total assets	39,601.0	33,654.0	+17.6
Loans/ advances	9,153.0	9,778.0	-6.4
Total deposits	32,744.0	27,644.0	+18.4
Placements	19,953.0	13,609.0	+46.6
Loan loss provisions	59.4	104.7	-43.2
Net profit	44.4	42.2	+5.1

¹ Unaudited results

Exchange rate: \$1 = SR 3.75 (June 1988)

Source: Riyadh Bank, 1988

Bank al-Jazira records loss

Bank al-Jazira recorded a loss of nearly \$25 million for 1987, following a substantial increase in provisions to cover bad loans.

It reduced operating expenses by 4 per cent to SR 321 million (\$85.6 million) in the year. Operating income fell by 9 per cent to SR 328 million (\$87.5 million), leaving it with a SR 7.1 million (\$1.9 million) operating profit, 74 per cent down on one year earlier.

The provisions of SR 100 million (\$26.7 million) will come from a 30 per cent reduction in shareholders' funds, the bank says. Bank al-Jazira is owned 35 per cent by **National Bank of Pakistan** and 65 per

Bank al-Jazira: results, 1986-87

(SR million)

	1987	1986	% change
Assets	5,438.0	4,915.0	+10.6
Loans	1,732.0	1,885.0	-8.1
Deposits	4,992.0	4,369.0	+14.3
Placements	3,289.0	2,668.0	+23.3
Provisions	100.0	20.0	+500.0
Net profit (loss)	(92.9)	7.1	-

Exchange rate: \$1 = SR 3.75 (June 1988)

Source: Bank al-Jazira, Jeddah

cent by Saudi nationals.

It is the second year running that shareholders will not receive a dividend. The last was in 1985, when the bank paid 20 per cent.

IN BRIEF

● A SR 2.8 million (\$746,670) net profit was recorded by **National Shipping Company of Saudi Arabia** in 1987. It is the first time in four years the company has declared a profit, and compares with a loss of SR 9.2 million (\$2.5 million) in 1986. Revenues increased by nearly one-third to SR 433.8 million (\$115.7 million); operating revenues fell by 21.2 per cent to SR 338.6 million (\$90.3 million).

● The government is still deciding on the form of borrowing it will use to finance its planned SR 35,900 million (\$9,600 million) budget deficit for 1988, says Saleh al-Omar, deputy minister for budgeting affairs at the Finance & National Economy Ministry. The government had planned to issue treasury bonds to cover most of the deficit to banks and state agencies. In recent weeks, bankers have suggested that funds would only be raised from the reserves of the state agencies (MEED 2:4:88). According to Al-Omar: "The form of borrowing has not been decided yet."

● The US was the kingdom's top barley supplier in 1987, accounting for 35 per cent of imports. Its sales of 2.4 million tonnes cost the kingdom \$202.4 million, the Jeddah daily Arab News says.

SUDAN

Troops move to protect oil sites

Government troops will be stationed in the US' **Chevron Corporation's** former base camp in Bentiu. This is part of an April agreement with Khartoum to begin a two-well exploratory programme in southern Kordofan province at the end of the autumn rainy season.

The government has been pressing Chevron to resume operations or lose its oil concession rights.

In early 1984, the Unity field's protection force — a special army unit protecting Chevron installations — was withdrawn after the Chevron expatriate camp came

under attack by the rebel Sudan People's Liberation Army (SPLA).

"We have already talked with the government about agreeing to go back," Chevron says. The government would have to secure the supply routes to the camp, not just its immediate environs, before it could be considered safe, it adds.

Up to 2,000 soldiers will be stationed in Bentiu throughout the rainy season. The deployment will move from Muglad, where Chevron and the protection force have a headquarters.

IN BRIEF

● The Khartoum-based **Water Drilling & Engineering Company** has been nominated to drill the exploratory test wells for the Port Sudan water supply project. Work for this section is financed by DM 60 million (\$35 million) from Kreditanstalt fuer Wiederaufbau (KfW). Financing for the project has still not been officially finalised. Apart from KD 10 million (\$36.5 million) supplied by the Arab Fund for Economic & Social Development, other co-financing is expected to come from the African Development Bank, the Islamic Development Bank, the EEC and the Netherlands. A team from Sudan is expected to meet the consultant, West Germany's **Rhein Ruhr Ingenieur-Gesellschaft**, and KfW in June to discuss the project. The DM 212 million (\$124.7 million) scheme is divided into three broad phases — drilling of boreholes, transmission, and water distribution. Work on the first phase is expected to start in 1989. No tenders have yet been issued (MEED 5:12:87).

SYRIA

Omar development contract award imminent

A letter of intent for an estimated \$90 million contract to install production facilities in the Omar field was to be awarded in the first week of June, industry observers in Damascus say. Four companies bid for the work, which the government is treating as a priority. They are understood to be **Brown & Root** of the US, Czechoslovakia's **Technoexport**, West Germany's **Mannesmann** and **Montazhi** of Bulgaria (MEED 27:5:88).

Damascus observers say Technoexport appears well-placed for the work. However, Brown & Root is also tipped, mainly because of its experience in doing similar work for the client, **Al-Furat Petroleum Company**. The government wants the Omar field to come on stream in early 1989. Its estimated production capacity is 100,000 barrels a day (b/d). The Deir al-Zor concession, in which Omar lies, is already producing just above 100,000 b/d from three fields. Operator is **Syria Shell Petroleum Development**.

Work at Omar entails building production facilities and a 95-kilometre, 24-inch pipeline linking the field to the T2 junction on the main east-west pipeline to the Homs