

SCOMM

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## I.B.R.D. LOAN

The International Bank for Reconstruction and Development is to provide US \$ 50 million worth of loans to Egypt to finance rural electrification and mechanization of farming and irrigation.

The loan is to be provided over the next five years. The I.B.R.D. has also sanctioned a US \$ 40 million loan to Egypt to help set up new ginning mills.

# Kuwait

## BIG BALANCE OF PAYMENT SURPLUS

Kuwait registered a balance of payment surplus of KD 1.1 billion (approximately US \$ 3.8 billion) in 1975, according to unofficial but reliable estimates. Oil revenues of the state amounted to about KD 2.35 billion (US \$ 8.11 billion) during the year accounting for 78 percent of the total foreign exchange earnings. Foreign investments of the country brought in KD 330 million (US \$ 1.14 billion). Imports amounted to KD 723 million, net capital transfers KD 588 million, remittances and aid to Arab confrontation states KD 308 million and aid to Arab and Third World countries KD 500 million.

Meanwhile, the Central Bank figures revealed that the total deposits with commercial banks increased by 26.4 percent to KD 1,047 million over the January to September 1976 period.

## INVESTMENT ACTIVITY

Two major Euroloans, worth nearly US \$ 65 million, were reported recently in which Kuwaiti investment firms figured prominently.

The Kuwaiti International Investment Company (KIIC) was the lead manager for a KD ten million (US \$ 34.5 million) bond issue for the Moroccan state oil company Bureau de Recherches and de Participations Miniers (BRPM). The issue, which is guaranteed by the government of Morocco, runs for five years and carries an 8 3/4 percent coupon.

The Kuwait Investment Company (KIC) led the US \$ 30 million note issue for the European Coal Steel Community (ECSC) along with the Hill Samuel group of the U.K. Among the co-managers are also Arab Finance Corporation of Luxembourg, Arab Investment Company of Saudi Arabia and the Libyan Arab Foreign Bank.

## RESERVES FOR FUTURE

Kuwait has decided to establish a special fund, called the Reserve for Coming Generation Fund, with a view of ensuring the future income of the state after the oil revenues have ceased.

The fund will comprise of 50 percent of current state reserves and ten percent of all future state revenues. The initial amount placed in the fund will be about US \$ 2.24 billion.

## INTEREST CEILING LIFTED

The government has abolished the seven percent ceiling on interest rates in Kuwait. The step was necessitated by the fact that interest rates in the country were much lower than elsewhere in the Gulf. The local banks needed encouragement to lend in the local market, which hitherto they were reluctant to do because of the low interest rates.

# Oman

## NEW COMMERCIAL BANK SET UP

The French bank, Societe Generale, has won the management contract and 20 percent partnership in a new commercial bank set up in Oman.

The Bank Al Ahli Al Omani, located in Ruwi, has a OR one million issued capital and OR two million authorized capital. Of the 80 percent Omani shares in the new bank 20 percent are held by a single unidentified Omani national, 50 percent by 20 Omanis, each with 2.5 percent and ten percent by the general public.

The number of banks now operating in Oman is 17. Two other applications,