

## Work on Disi project to start August 3

### Ministry of Water and Irrigation

At a press conference by Minister of Water and Irrigation Raed Abu Saud and senior ministry officials, project director Othman Kurdi announced that "the government is not facing any problems with project funding, since it is the responsibility of GAMA", the Turkish company that won the bid to implement the Disi project.

The project, to be established on a BOT basis, is one of six strategic plans initiated by the ministry to address the country's water deficit, which currently stands 12.7mcm, a figure the ministry hopes to cut down to 5.5mcm through the 48 artesian wells that have been put into service this year.

The long-awaited Disi scheme seeks to supply Amman with much-needed water and alleviate the capital's water shortage, create job opportunities and promote private sector participation in the country's development process.

The project's implementation was scheduled for July 2007, but due to the sharp increase in the prices of steel and energy, GAMA presented new modifications on the price of water and the estimated total cost of the project.

Under the modifications, the estimated cost of the project rose by 12.8 per cent, from JD622 million to JD702 million, while the price of water went up from 850 fils per cubic metre to 872.5 fils.

Citing the influence of international prices of steel over the project, Kurdi said the issue is being followed up on closely, expecting that the demand over steel to decline once the 2008 Beijing Olympics end, which he said would lead to a similar drop in the prices of the commodity.

With water designed to be transferred to Amman via a 325-kilometre pipeline, passing through several water stations, the project is estimated to use around 250,000 tonnes of steel, the official said.

The project, deemed as a key solution for the country's annual water deficit, has faced several obstacles since the first tender was floated in 2001. GAMA won the bid in September last year.