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MOROCCO TO REHABILITATE PORTS OF CASABLANCA AND MOHAMMEDIA

Morocco will improve the operational performance of its major ports with assistance from the World Bank in the form of a \$22 million loan. This is the first port project in Morocco to be supported by the World Bank.

The ports of Casablanca and Mohammedia in the northwest will be rehabilitated to bolster their operations. The project includes upgrading the port infrastructure and workshops in Casablanca. The breakwater and control tower in the same port will also be rehabilitated. Equipment will be provided to maintain the recently built breakwater in Mohammedia.

Technical assistance will be provided to the Office for Port Operations (ODEP) in preparing tender documents, supervising civil works and the purchase of equipment, and improving port operation.

Assistance will also focus on improving the financial management of the ports and on a study to define a new tariff structure. Customs procedures will also be reviewed. Training will be provided to port staff.

Conservative estimates of benefits include a 2 percent reduction of waste and pilferage of cargo, resulting in savings of about \$1 million a year. Losses in equipment, water and electricity, worth \$600,000 a year, will be avoided, as well as major breakwater repair.

The project is expected to be completed by December 1989 at a cost of \$41 million. ODEP is providing \$19 million to finance the project.

The World Bank loan is for 20 years, including five years of grace, with a variable interest rate, currently 8.5 percent, linked to the cost of the Bank's borrowings. It also carries an annual commitment charge of 0.75 percent on undisbursed balances.

NOTE: Money figures are expressed in U.S. dollar equivalents.