

Brazil's Builder Wins Tender for US\$ 31-Million Algerian Dam

Contributed by Alexandre Rocha
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Brazilian construction company Andrade Gutierrez has won an international tender for the construction of a dam in Algeria.

Boussiaba dam, to be built in the province of Jijel, in the northeast of the country, is evaluated at US\$ 30.7 million and is scheduled to be completed in 30 months.

This will be the first time the Brazilian company operates in an Arab country. Although the contract with the Algerian government has not yet been signed, the company received an official communiqué of temporary award on January 12.

The tender, in reality, was won by a consortium established by Andrade Gutierrez and its subsidiary in Portugal, Zagope.

"There is no doubt that it is a market with great investment, taking into consideration the amount the Algerian government intends to invest over the next five years. The door is being opened to a market that is still little known to Brazilian companies," stated the Andrade Gutierrez director of institutional relations, Flávio Machado Filho.

Little known, but not totally unknown: former construction company Rabelo and architect Oscar Niemeyer have already developed projects in the country.

The Algerian government has plans to invest US\$ 60 billion in various sectors over the next five years. "Algeria is very important, as it is a country that has a well defined infrastructure investment plan - the sector is a priority - and the country has had a significant increase in its foreign reserves due to the appreciation of oil," added the director of Zagope, Clovis Martines.

The dam will be built with the objective of establishing a water reservoir. Improvement in the water supply is one of the priorities, as the Sahara desert covers 85% of the area of the country.

"We do not want to participate in just one construction, this is only the first step. We hope that other opportunities may arise in the sector of civil construction," stated Martines.

Andrade Gutierrez is already participating in another tender for the construction of an even larger dam, evaluated at US\$ 70 million.

The Brazilian company, through Zagope, is also participating in a tender for the construction of a highway that is going to cut the country from East to West.

Zagope is in a consortium of Portuguese companies that is competing for the construction of two of the three stretches of the highway, each one evaluated at 2 billion euros. Bids for this tender were presented over the last two days.

Profile

Andrade Gutierrez has not yet published its balance sheet for 2005, but it is estimated that the company revenues in the construction sector may have reached 2 billion reais (US\$ 900 million euros), with 30% coming from foreign operations.

In 2004, the company engineering area had revenues of 1.7 billion reais (US\$ 760 million).

The group also operates in the sectors of telecommunications and concessions and had revenues of 4.3 billion reais (US\$ 1.9 billion) in 2004. Andrade Gutierrez employs 17,000 people.

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