

international construction

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HIGHLIGHTS

ASIA Mexican building materials company Cemex has agreed to divest its operations in Bangladesh and Thailand, selling to Siam City Cement Public Company for a fee of around US\$ 53 million. Cemex will use the proceeds to reduce debt and for general corporate purposes.

SWEDEN Skanska has divested its Peruvian operations to a subsidiary owned by Confipetrol Group, in a deal worth SEK 210 million (US\$ 25 million). Skanska Peru was the last part of the former Skanska Latin America business to be divested.

US Caterpillar will discontinue production of its on-highway vocational trucks, some eight months after ending its collaboration with Navistar International. It said the decision was based on the current business climate in the truck industry and a thorough evaluation of the business.

FRANCE LafargeHolcim's fourth quarter results were affected by challenges in various markets, most notably Brazil, Switzerland, China, Indonesia, Zambia, Nigeria and Azerbaijan, but the group said it was making "significant progress" with its integration of the two companies. It added that it expected demand in its markets to grow 2 to 4% during 2016.

NETHERLANDS Boskalis Westminster is set to acquire the offshore activities of fellow Dutch contractor VolkerWessels, VBMS, Stemat and VSI (Volker Stevin International). VBMS, a 50:50 Boskalis-VolkerWessels joint venture, is claimed to be the European market leader in offshore cable installation, with a strong market position and well-filled order book. Annual revenues of the businesses is some € 200 million (US\$ 220 million).

US Spanish engineering company Ferrovial has won the contract to design and build a 35 km section of high-speed railway line in the Central Valley, California, US. The contract is worth US\$ 442 million, which includes US\$ 107 million for the relocation of gas, power and communications networks. The line, between Wasko and Shafter, forms part of the link's 161 km central section.

BRAZIL

Marcelo Odebrecht given 19 years

Jail term for former CEO of Latin America's largest contractor following Petrobras bribery scandal

The judge presiding over the Petrobras embezzlement probe dubbed Operation Car Wash, has sentenced former Odebrecht CEO Marcelo Odebrecht to over 19 years in prison for his part in the scandal.

Mr Odebrecht, 47, who has been behind bars since last June, was, until December last year, CEO of Odebrecht SA, Latin America's largest construction company.

He was convicted of paying more than US\$ 30 million in bribes to officials from the energy corporation Petrobras, in exchange for contracts.

Operation Car Wash has already seen the arrest and investigation of dozens of executives and politicians, on charges including bribery, overcharging for contracts and siphoning money to pay for electoral campaigns. There have been a number of other convictions for CEOs of large contractors.

In addition, former Brazilian president Luiz Inacio Lula da Silva has been questioned by police as part of the fraud inquiry, although he was later released without charge, while Peru's President Ollanta Humala has also been embroiled in the scandal, after a leaked document found that Brazilian police suspected him of taking US\$ 3 million in bribes from Odebrecht.

IRAQ

Trevi in dam repair mission

Italian contractor Trevi has been awarded a € 273 million (US\$ 298 million) contract to repair Iraq's largest dam, said to be in imminent danger of catastrophic collapse.

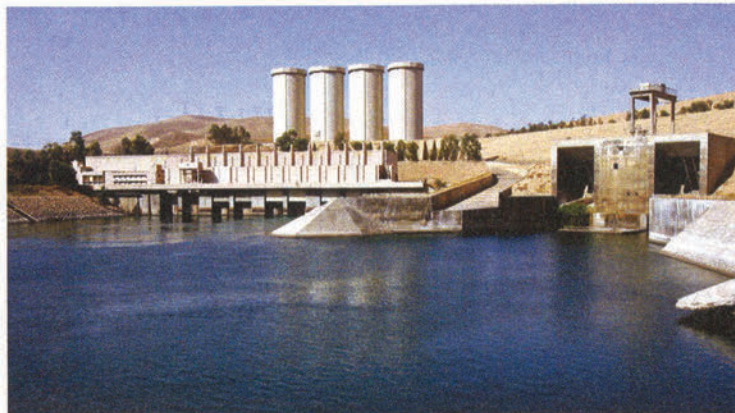
The Mosul dam came to the world's attention last year, when it briefly fell under the control of Islamic State (Isis) and had to be recaptured by Iraqi and Kurdish forces, aided by US jets, bombers and drones.

Up to that point, the 30-year-old dam – already recognised as having been built on an unstable foundation – had been maintained

by 300 people, working around the clock in shifts to shore up its construction flaws.

Following the Isis incursion over a year ago, there has been virtually no maintenance work carried out on the dam's structure or its machinery.

Engineers have reported that the dam's compromised structure is struggling to cope with rapidly increasing pressure from the Tigris waters, as high levels of melting winter snow enter the reservoir. Moreover, sluice gates that would normally ease the pressure are currently jammed shut.



BRAZIL

Naval base

State-owned China National Electronics Imports and Exports Corporation (CEIEC) has been awarded a US\$ 100 million contract to build a new Antarctic research station for the Brazilian navy.

Brazil's original Comandante Ferraz Antarctic Station was destroyed in a fire in 2012.

The new 5,000 m² base, able to accommodate 64 people and incorporating 18 laboratories, has been designed by Chilean company Studio 41, winner of an international design competition in 2013.

CEIEC will also build a heliport and the solar panels and wind turbines that will power the station.

The announcement of the contract came as Chinese Premier Li Keqiang continued a week-long Latin American visit.

While there, the Chinese leader met with Brazilian President Dilma Rousseff and the pair reportedly signed 35 contracts with a value of US\$ 53 billion.

Reports say that one agreement was for US\$ 7 billion of financial aid for Petrobras.