

Gov't Accused Of Undermining Auto Industry

TEHRAN, Dec. 14—A senior lawmaker here Tuesday accused the Ministry of Industries and Mines of trying to undermine national production, stressing that the proposed reduction in car import tariffs would ultimately destroy the car industry.

Hamid Reza Katouzian, vice chairman of Majlis Industries and Mines Commission, told Mowj news agency that production sector is and should always remain the most important segment of national economy.

Voicing his strong opposition to open the lucrative auto industry to foreign producers, the legislator said lower import tariffs will turn Iran into a big consumer market for foreign goods.

"The Commerce Ministry and the Ministry of Industries and Mines are contribut-

MP Strongly Opposes Imports

ing to efforts to hurl the national auto industry into a crisis by advocating further cuts in import tariffs," he said, accusing supporters of relaxed duties of pursuing personal gain at the expense of national interest.

The parliamentarian claimed advocates of car imports at lower cost are in line with "hegemonic powers who say Iran does not need production as long as it has hydrocarbon" reserves.

"They do not listen to the lawmakers and if we impeach a minister, he will be replaced by someone with the same agenda," he said, adding

that some of the government's plans lack reason.

Katouzian's remarks come soon after Commerce Minister Mohammad Shariyatmadari disclosed slow car imports were mainly due to mounting pressures from domestic automakers.

The minister told reporters that those who see their interests harmed by car imports have accused the Commerce Ministry of trying to transform Iran into a scrap yard for cars.

Iran's massive auto sector employs more than 400,000 people. However, the people are very disappointed with low quality and high prices of Iran-made or assembled cars. Large sections of the society and consumer protection groups have demanded further cuts in the current 130-percent car import tariffs.

Turkey to Invest In Home Construction

SAVOJBOLAGH, Tehran, Dec. 14—Turkey has announced its agreement to invest 23 million dollars in development projects in the city of Hashtgerd, west of Tehran, the managing director of Hashgerd's development company said Tuesday.

"The amount will be

used for the construction of 1,540 housing units and a gas pipeline," Mohammad-Khalil Dadsetan told IRNA.

He said construction of the residential units would be undertaken by a Turkish company and cover 42 hectares.

The Turkish firm has also been lined up to participate in several

service and infrastructural projects in the fast developing city.

Dadsetan said foreign investment in the city would give new momentum to development projects in the region.

Hashtgerd is 70 kilometers west of the Iranian capital, and has over 2,000 production and industrial units.

IRISL Among Top 10 Int'l Shipping Lines Marine Transport Affordable

TEHRAN, Dec. 14—The Islamic Republic of Iran Shipping Lines (IRISL) has the largest oil transit capacity among OPEC member states, a marine industry expert said here on Tuesday. IRISL is among the world's top 10 shipping companies in terms of cargo transit capacity.

Captain Mohammad Roshan-Del told IRNA that the United Nations Conference on Trade and Development (UNCTAD) had earlier this year reported that the company was the 22nd largest shipping line in the world in terms of container carrying capacity.

Passenger handling capacity of Iran-flagged ships remains to be unrivaled in the entire Persian Gulf region, he noted.

"Based on available statistics, the IRISL has achieved an impressive record in the field of container movement in the southern Persian Gulf ports," he said, adding that marine transport is presently the most inexpensive means of moving goods in the world.

The expert said while a cargo ship can carry cargo weighing 10,000 tons, planes, trucks and even trains cannot match this

figure. At present, the marine sector handles almost 90 percent of the world's cargo.

Iran started renovation of its marine fleet in the 1990s. The industry has been reduced to 84 vessels from 110, whereas the total annual volume of goods handled by the state shipping company has improved from 2.2 to 2.8 million tons in recent years.

Experts say it is not economical for Iran to produce and assemble engine and other machinery for vessels, and should venture into imports if it wants to further develop the shipbuilding industry and make it more competitive.

Not many countries in the world are capable of building large vessels and container carriers. Iran has signed agreements with foreign parties in recent years for construction of cargo ships, including the so-called 5+1 contract with Germany, according to which one container ship will be constructed in Germany and five in the southern Iranian port of Bandar Abbas. The Persian Gulf Shipbuilding Complex and IRISL signed the contract with the Germans.

Regional Political Role Influencing WTO Bid

TEHRAN, Dec. 14—Opposition by the US of Iran's 20th bid for talks on its WTO membership and the World Trade Organization's decision on Monday to begin accession talks with Iraq and Afghanistan showed how crucial Tehran's political role in the region is in determining the fate of its WTO bids, a senior economic expert said.

Saeed Leylaz told ISNA on Tuesday that at the outset the country should not have been optimistic about its latest application "essentially because the EU's pledges to support Iran's bid could only have an impact on the 21st request."

He said the WTO decision to begin talks

with Afghanistan and Iraq, whose economic and industrial capabilities are far below those of Iran, indicate the country's accession negotiations would not depend much on economic criteria.

"Both Iraq and Afghanistan do as they are told by the US and Europe, whereas Iran has not allowed itself to bow," he said.

If the European Union fails to back Iran's WTO request as it promised in the Paris agreement—in which the EU offered a package of economic incentives in exchange for Iran suspending its nuclear enrichment program—the Islamic state would resume nuclear enrichment, he stressed.

Leylaz appreciated what he termed as high

'bargaining abilities' of Iran's nuclear negotiators, stressing that the talks would have produced more fruitful results had the parliament and government been in closer harmony.

The go-ahead for Iraq and Afghanistan at the world body came with no dissenting voice among the trade body's 148 member states, but Washington said it was still studying Iran's request—the same response it has given for the past three years.

Observers maintain while the door to the WTO is open for Kabul and Baghdad, entering the Geneva-based organization can be a lengthy process, with Russia and Saudi Arabia still in talks after a decade.

Cotton Farmers Get Higher Prices

TEHRAN, Dec. 14—Statistics released by Iran Customs Administration show close to 11,000 tons of cotton was imported in the March-October period and the volume of imports is expected to reach 15,000 tons by March.

The General Directorate of Cotton and Oil Seeds has predicted production of beaten cotton would reach 135,000 tons by the yearend (March 19) and farmers have harvested over 190,000 tons of cotton lint so far, ILNA quoted managing director of Iran Cotton Fund, Mohammad Hossein Kaviani as saying.

Domestic cotton is of superior quality and can be used both in the textile industry and for export, he added.

In light of high cotton prices in the international market, the government

purchased cotton lint from farmers at prices ranging from 4,000 to

purchase rate of 3,450 rials.

In the current crop year,

capped world prices and tightened demand from textile industries.



Cotton farming has declined drastically in recent years, and experts blame it on low prices, rising production costs and delays in reimbursement to farmers.

domestic price of cotton lint has plunged due to record harvests in producing countries and oversupply, which has

However, Kaviani revealed that the government has lowered the guaranteed cotton purchase price in the current

year.

"The move has inflicted huge losses on farmers." As a result, domestic farmers would prefer not to grow cotton, which in turn could lead to higher levels of imports, the official warned.

Cotton is one of the few important farm products, which is widely cultivated and traded across the world. Two-thirds of the global cotton output is produced in the developing countries.

In Iran, vast areas in the provinces of Mazandaran, Khorasan, Fars, Markazi, Eastern Azarbaijan, Tehran, Kermanshah, Semnan, Kerman and Golestan are under cotton cultivation.

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Scheme to Prop Up Carpet Industry

TEHRAN, Dec. 14—A senior carpet industry official said here Tuesday that Iran Carpet Center experts are currently working on the Comprehensive Persian Carpet Scheme, which aims to organize

November period, down by \$42 million against the figure for the corresponding period last year.

"Persian carpet prices have fallen on the international market," he said,



Iran exported \$305 million worth of Persian carpets during March-November period, down by \$42 million against the figure for the corresponding period last year.

and promote fine rugs in international marketing.

Feizollah Arab-Sorkhi told Fars news agency that once established the scheme would help resolve problems plaguing the hand-woven Persian carpet industry.

He said the center has drawn on all its social, economic and commercial expertise in formulating the scheme.

Latest statistics released by Iran Customs Administration suggest that Iran exported \$305 million worth of Persian carpets during March-

adding that each kilo of Persian carpet used to sell for \$27.2 last year, while it fell to \$25.7 in the first half of the year.

Arab-Sorkhi said international marketing with the help of overseas diplomatic missions, active participation in international and domestic exhibitions, quality production with closer attention to customer preferences, setting up carpet weaving complexes, offering insurance cover to weavers and higher wages could help improve one of Iran's key industry.

New Body Will Facilitate IT Collaboration

TEHRAN, Dec. 14—The Software Exporters Association has signed up for the establishment of an Iranian company in the Dubai Internet City to help remove obstacles to Iranian firms signing contracts with major international IT companies, a senior member of the association said Tuesday.

Amir Reza Jalili, vice-chairman of the association, told ILNA the new company would assist Iranian producers and exporters in marketing their wares on the highly competitive international markets.

"Given the fact that the US and European firms do not have confidence in our ability to create high-tech products, the company will function as an export portal for Iranian software companies," he said, and acknowledged there are also obstacles to export of software to Iran.

Jalili recalled software exporters still do not qualify for tax exemptions as enjoyed by other sectors.

"We still have to pay tax whereas the law has stipulated tax discounts and exemptions for all companies exporting their products."

Some software exporters do not report their taxable activities to the relevant state bodies of which there is no shortage in Iran. This is largely due to the fact that if they do they will have to pay much more in taxes than what they receive in export incentives offered by the government.

Jalili reiterated calls by his association on senior government officials, including the former and incumbent economy ministers, to help remove tax-related constraints to developing the IT sector. Earlier calls and appeals for early and effective action fell on deaf ears.

"They have made some promises none of which has materialized," he complained.

Iran's software industry is growing rapidly with a computer designed especially for Iranian users and expected to enter the domestic market in the near future.

The new computer enjoys sophisticated soft and hard ware systems. It has been manufactured by Iranian engineers and meets international standards.

An exhibition will be held next year to display Iran's high-tech achievements.

Exposition in Sharjah Opens Dec. 26

DUBAI, UAE, Dec. 14—Iran's trade with United Arab Emirates in the current year reached to 16.10 billion dirhams, showing a 53.2 percent growth compared to 2003.

According to a report by Iran's commercial attaché in this port city, Iran's products exhibi-

tion titled "Trade and Tourism" will be held at Sharjah's permanent exhibition site December 26-30 to promote exports and develop trade and tourism, IRNA reported.

"Trade and Tourism" is Iran's biggest trade fair in the region, and will have an effective role in

promotion of cooperation among Islamic and Arabic countries.

Head of the Sharjah Administrative Council for Chamber of Commerce and Industries Ahmad Muhammad al-Modfa' said holding such exhibitions is an indication of the firm determination of

the two countries to expand cooperation.

Emphasizing Iran's economic role in the Persian Gulf region, al-Modfa' noted the fair is a step towards expansion of economic cooperation between Iran and the countries in the region.

Private sectors can make draw of such

events to better survey and assess potentials for investment in economic and tourism sectors, he added.

Iranian companies involved in petrochemicals, carpets, foodstuff, agricultural products and handicrafts will attend this year's exposition in Sharjah.

MADRID, Spain, Dec. 14—Iran and Cuba signed a memorandum of understanding in Havana Tuesday to bolster labor and employ-

ment cooperation. According to a report released by the Iranian embassy in Havana, the agreement was signed between Iranian

Minister of Labor and Social Affairs Nasser Khaleqi and his Cuban counterpart, Alfredo Morales Cartaya.

The MOU sets the framework for expanding cooperation in research for better security and health standards for workers in the sugarcane industry, adoption

of proper labor standards, classification of occupation and training labor inspectors.

Under the MOU, the two countries are to exchange information and experiences pertaining to their labor markets and services, and reducing unemployment problems.