

Nuclear Power Plants Will Generate 6,000MW by 2010

TEHRAN, Nov. 6—A senior power industry official said here on Sunday that the Fourth Five-Year Plan (2005-2010) has envisaged the generation of 6,000 megawatts of electricity from nuclear power plants, expressing hope that the target will be achieved by the closing year of the plan.

Mohammad Ahmadian, who heads Tavanir Power Generation, Transmission and Distribution Company, told Fars news agency that the High Council for Atomic Energy has drawn up plans to generate 6,000 megawatts of electricity by 2010, stressing that Iran needs to diversify its power sources.

"It is very important for us to diversify our sources of power generation as we cannot rely solely on natural gas," he said, adding that the annual growth in power consumption in Iran has reached 10 percent, whereas the figure stands at three percent internationally.

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sector remains too high in Iran. "In countries where there is a normal power consumption pattern, household power consumption accounts for 30 percent of the total, whereas in Iran, the figure stands at 56 percent," he added.

The Energy Ministry announced earlier that it will seek to reduce power consumption under President Mahmoud

Ahmadinejad's administration, criticizing the 10-percent hike in electricity use as quite illogical.

The ministry has said it will also try to rectify utility charges in cooperation with the Parliament as part of efforts to discourage excessive consumption.

Experts say inadequate financial resources have created serious challenges for the power industry,

blaming low utility charges for the dilemma.

Necessary power industry projects are not implemented in the country due to shortage of funds.

Nominal power generation capacity of power plants stands at almost 33,000 megawatts.

Six power plants, which are under construction, will become operational by 2007.

Funding Problems Imperil Tehran-Shomal Highway Project

TEHRAN, Nov. 6—The controversial project to construct the Tehran-Shomal Highway has faced fresh obstacles following the new government's insistence on removing certain articles from the financial deal reached earlier with China.

According to the Persian daily Donya-ye Eqtessad, the Management and Planning Organization (MPO) further believes that the Mostazafan Foundation, which is the main contractor of the project, has to invest 700 billion rials in the project as per agreement with the government, which stipulates equal investments.

The government has so far spent 700 billion rials for the project.

The Mostazafan Foundation has refused to pay its share of the investment.

Minister of roads and transportation, representative of the Mostazafan Foundation and the MPO chief will attend a high-profile meeting this week to determine the fate of the project.

Minister of Roads and Transportation Mohammad Rahmati has expressed hope that the meeting would produce concrete results.

The project was launched in the late 1990s and has so far recorded a physical progress of just five per-

cent. China has reportedly agreed to provide \$220 million for the giant project to construct the highway, which will connect Tehran and the Caspian Sea coast in the north of Iran.

Major sections of the project are expected to be implemented within the next three years, once the Chinese funds are made available.

The so-called Tehran-Shomal Highway, which will traverse the thick northern Iranian forests, has not made sufficient progress in recent years chiefly due to shortage of funds.

The United Nations and Iran's top environmental

Department of Environment, have expressed concern about the destructive impact of the project on wildlife and the environment in the northern forests.

Iran's roads remain among the world's most dangerous with over 20,000 people killed and hundreds of thousands of others injured each year in road accidents. Road accidents are rife and casualties usually quite high on roads connecting the capital city to the beautiful Caspian Sea resorts, especially the Chalous Road, which is said to be one of the world's most picturesque roads.

German Firm Orders 4 Freight Ships

BERLIN, Nov. 6—An Iranian shipbuilding company Sadra Group will build four cargo ships, worth 100 million euros, for the north German-based Rickmers shipping lines, the monthly magazine of the German Near and Middle East Association announced Saturday.

According to IRNA, the ships are to be used for freight transport from

Europe and the US to the Middle East as well as to Pakistan and India.

Sadra Group is a sister company of Iran's state-owned Iran Shipbuilding and Offshore Industries Complex Co. (ISOICO).

Germany's Rickmers shipping lines, which owns more than 55 vessels with a total capacity of over 1.4 million tons, was founded in 1866.

Labor, Tax, Business Laws Must Change

TEHRAN, Nov. 6—An economic expert said here on Sunday that labor and social security laws have to be ameliorated, if production sector and investments are to improve.

Bijan Bidabad further told Fars news agency that taxation and business laws should also be reformed to comply with production and investment requirements.

"Tax-related pressures and social security and labor laws have discouraged private sector investments," he added.

He said greater investment security has to be established so that no one, including the government, can violate ownership rights of investors.

The expert further noted that the country's business laws have to be drawn up in a way that private sector companies can easily engage in production and export of goods and services. "Greater private sector involvement in economic activities will help improve investments and create jobs," he said, adding that grounds have to be created to encourage Iranian expatriates to invest in their motherland.

Press Release

ECO Trade and Investment Conference Due in Kabul

The ECO Trade & Investment Conference is scheduled to be held in Kabul, Afghanistan on November 9-10, 2005. The Afghan Ministry of Commerce, Afghan Investment Support Agency (AISA) and the ECO-Chamber of Commerce and Industry (ECO-CCI) are hosting the conference.

Concurrent with this conference, a number of meetings/activities i.e., 10th Executive Committee Meeting of ECO Chamber of Commerce and Industry (ECO-CCI), 4th ECO High Level Expert Group (HLEG) Meeting on Trade, Investment, and Other Related Matters, ECO-CCI Trade Fair/Exhibition and Seminar on ECO's participation in the Reconstruction of Afghanistan will be organized.

The prime objective of the conference is to promote trade and investment among ECO member states, to provide business-to-business interaction and networking opportunity for private sectors of the ECO region. This conference will focus mainly on exploring potentials and attractive aspects of trade and investment and will provide a platform for an open dialogue between respective governments and business communities of the ECO region.

The 4th HLEG is expected to discuss Action Plan for early implementation of ECO Trade Agreement (ECOTA), ECO Trade and Investment Development Strategy and Private Sector Development in Afghanistan and Regional Development.

A sub-committee of the HLEG is expected to finalize Optional Protocol on Fast Track Approach to ECOTA. The 10th Executive Committee Meeting of ECO-CCI will consider/discuss a new mechanism and modalities for better interaction between member chambers, business communities of ECO region.

ECO Seminar on the Reconstruction of Afghanistan will discuss ways and means for realizing reconstruction projects especially, those which are financed from the ECO Special Fund for the Reconstruction of Afghanistan as envisaged in the Modalities for establishment and operation of the Fund.

The Afghan Ministry of Commerce will also hold a Trade Fair/Exhibition featuring local and regional (ECO member states) products/goods from November 9-12, 2005. It will be open for public on November 11 and 12.

ECO Secretariat, Tehran

Carmakers Import Steel Despite Domestic Supply

TEHRAN, Nov. 6—Iranian carmakers tend to import steel products despite the domestic steel industry's capability to meet a huge portion of the automotive industry's requirements.

According to the Persian daily Etamad, Rassoul Khalfeh-Soltan, secretary of the Association of Iranian Steel Producers, said the national steel industry has the capacity to increase production of steel alloy given the increased output at Iran Steel Alloy Mills and Esfaraen Alloy Steel Complex.

"The steel industry can easily meet the automakers' requirements as it is already supplying steel to more high-tech industries in shipbuilding and power plant construction projects," he said, adding that except for steel sheets used in the body of vehicles, national steel industry is capable of manufacturing all the required steel parts.

He said the automotive industry prefers to purchase steel from international companies rather than from domestic firms. "Domestic carmakers

usually import steel products from South Korea, Japan and European countries," he said.

A senior steel industry official said earlier the amount of steel alloy consumption usually indicates

export policy towards auto part manufacturing industry.

Iran produces only 100,000 tons of the world's 120 million tons of steel alloy production. Iran produced 808,000



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the country's level of industrialization, adding that Iran's steel alloy consumption remains too low.

Hossein Molla-Hossein Aqa, who heads Iran's Steel Alloy Company, said Iran has the ability to manufacture quality auto parts with the help of steel alloy technology, stressing that given that the country cannot export cars, it has to shift its

tons of steel in September, up by 8.6 percent against the figure for last year.

The country exported 1.07 million tons of steel in the past six months, when 2.8 million tons of the product was also imported.

Revenues from steel exports stood at some \$459 million in the period, when imports hit \$1.7 billion.

ICT Research Essential

TEHRAN, Nov. 6—Establishment of research centers in universities and companies affiliated to the Ministry of Communication and Information Technology (CIT) is among the major responsibilities of Iran's Telecommunications Research Center (ITRC), declared CIT Minister Mohammad Soleimani here Sunday.

According to Fars news agency, the minister, who was inspecting ITRC facilities, said that technological advancement, rapid changes and the knowledge generated in the field have created grounds for easy access to technology in the sector.

Pointing to the high investments in the telecom sector, he said investment in CIT sector has a high

rate of return, so conditions should be created to using the country's potential in this field.

The minister noted that the ITRC in CIT Ministry's affiliated companies can play a vital role in generating jobs.

Soleimani said that ITRC should engage in effective cooperation with universities to resolve many of the problems facing the sector.

ATM, POS Cooperation With 7 Southeast Asian States

TEHRAN, Nov. 6—Iran's Automated Teller Machine (ATM) and Point-of-Sale (POS) systems will soon be linked to those in seven Southeast Asian states following a preliminary accord with China, which runs the central banking data system there.

According to the Persian daily Etamad, the final contract will be signed between Iran and China in the near future and the project will become operational by the next two months.

Once operational, ATM and POS card holders in China, Malaysia, Indonesia, Thailand, South Korea, Macao and Hong Kong will be able to use their cards in Iran. The project aims chiefly at boosting Iran's economic and banking interactions with Southeast Asian states.

There are 6.5 million subscribers to ATM and POS systems in Iran. All the banks currently offer ATM services.

ATM systems, however, do not function properly in Iran, while the number of POS machines remains low.

People queue up at ATMs in almost all major banks in Tehran. Banking official have announced that the number of ATM cards will increase to 10 million by March 2006.

As users at home complain about poor ATM services, the banking system has been trying to boost ATM-related cooperation with regional states.

Iranian banks have been unable to issue international credit cards in recent years due to US sanctions and the wide difference between Islamic and international banking systems.

Bank Refusing to Block Surety Bonds Of Ex-Halliburton Partner

TEHRAN, Nov. 6—A state-run bank has refused to block the surety bonds of Oriental Oil Kish, which is accused of involvement in a high-profile bribery scandal, said a senior oil industry official, stressing that the bank has violated the law.

Akbar Torkan, managing director of Pars Oil and Gas Company, told ISNA that Oriental Oil Kish has apparently managed to convince the court that its surety bonds should remain valid. He did not disclose the name of the bank.

"We had ordered the state bank involved in the Oriental Oil Kish case to block the company's surety bonds but after the compa-

ny filed a complaint against the decision, the court sent a letter to the bank and asked it not to do so," he said, adding that both the bank and the court have violated the laws of the land.

He said Pars Oil and Gas Company had paid \$30 million in advance to Oriental Oil Kish for drilling operations in phases IX and X of the development project for the world's largest offshore gas field, South Pars.

Oriental Oil Kish has been barred from continuing the projects it has at hand or has commitment to implement pending judicial inquiries into its activities.

Also registered in the UK, the company was involved

in a joint venture with a major US company, Halliburton—the scandal-plagued oil company that Vice President Dick Cheney once ran—in the South Pars project.

The joint venture won the development project for phases IX and X, marking the first post-revolution presence of a US company in Iran's energy projects.

In May, under mounting pressure from lawmakers in Washington, Halliburton decided to back out from deals with its Iranian partner, but continued its advisory role for the company.

Oriental Oil Kish was then accused by Iranian authorities of bribery and financial corruption.