

# Kharg Island Oilfields Set for Output Increase

**TEHRAN, March 18--** The project to increase production from Kharg Island's oilfields, which is one of the country's largest oil industry schemes, will become operational within the next few months.

With the completion of the project, Doroud Oilfield, one of the three reserves on the island, will witness an increase in its oil production capacity from the current 140,000 barrels per day (bpd) to 200,000 bpd.

The long-term development project will also include Esfandiar Oilfield project, which aims to increase oil production from the current 40,000 to 80,000 bpd.

Associated gases will also be collected from all these fields as the projected drilling of eight new wells on the island is expected to boost oil production from Abouzar Oilfield by 33,000 bpd to 240,000 bpd.

In the next three years, a pier will be constructed to export associated gases.

Doroud Oilfield is being developed by French oil giant Total in a consortium with Italy's Agip. The consortium has invested \$540 million in the project. Total holds a 55-percent stake in the project.

Production from Kharg oilfields is expected to increase significantly under a 25-year development program.

The small island has now

turned into an oil city with seashores occupied by foreign oil tankers, which export 90 percent of Iran's oil to international markets.

Doroud produces what is said to be one of the best quality oils of Iran. The



Total production from Kharg Island stands at 350,000 bpd at present.

joint Forouzan Oilfield, which is located near the island, and Abouzar Oilfield come next in terms of quality and lightness of oil.

Doroud is the only oilfield on the southern island, which is being developed under a buy-back project. That is, based on national laws, the French company will have to employ Iranian contrac-

tors.

However Forouzan Oilfield, which is the oldest of all, straddles Iran and Saudi Arabia and has been operating for 40 years. The field suffered fewer damages during the devastating Iran-Iraq war of the 1980s.

Forouzan Oilfield will double in two years.

He agreed with experts that the development of joint oilfields needs to be paid due attention.

Mohammad Reza Akbar Mousavi, deputy Abouzar project manager, also told reporters that the oilfield's offshore platform has been

By Azam Mohebbi

# Self-Sufficiency In Offshore Industries

**TEHRAN, March 18--** Iran is now completely independent in terms of handling offshore oil and gas industry-related activities, including production of technical equipment and technological know-how, said a senior oil industry official on Saturday.

Massoud Soltanpour, managing director of the Offshore Oil Industry Installations Company, told ILNA that Iran does not depend on any foreign company in oil

industry projects, stressing that the country is matchless in this respect worldwide.

"The nationalization (55 years ago) of oil industry and the departure of foreigners from Iran as well as the Iraqi-imposed war (of 1980-1988) and (US) sanctions provided ground for self-sufficiency in the country's oil industry," he said, adding that Iran's successful record comes at a time when most oil-rich countries like Saudi

Arabia, United Arab Emirates and Kuwait rely heavily on foreign companies.

Asked why National Iranian Oil Company (NIOC) has failed to obtain global status as a major international oil firm, the official said the NIOC is not seeking such a status.

"This company is in charge of developing domestic resources not investing in overseas projects," he said, adding that dependence on foreign

companies runs contrary to national interests.

Soltanpour said the nuclear tensions and possible limitations will only help boost oil industry in Iran.

Iran is the world's fourth largest oil producer and the second largest oil exporter within the Organization of Petroleum Exporting Countries (OPEC). The country holds the world's second largest gas reserves after Russia.

# Lucas TVS Setting Up Factory

**CHENNAI, India, March 18--** Leading manufacturer of Auto Electricals in India, Lucas TVS is setting up a factory in Iran for making world class electrical

equipment.

According to PTI, the company signed a memorandum of understanding with FG Industries in Iran for the formation of a joint venture under

which the facility is being set up.

Construction of the factory which has an initial capacity of about one hundred thousand units for manufacturing

'starters' in this plant will be ready to start production in a couple of months, T. K. Balaji, chief executive and managing director, Lucas TVS said.

Lucas TVS was also setting up a plant in Himachal Pradesh with an initial capital of Rs. 100 million.

This plant would be ready by March 2007, Balaji told reporters after a meeting of visiting top management professionals from Japan.

He further said the company expected a turnover of Rs. 8,500 million in 2006-07. Lucas-TVS had a turnover of Rs. 7,250 million this year.

Stating that there was no magic solution to quality, Balaji said, "ACI-It has to be tackled at all levels. Companies must go beyond manufacturing zero defect products. Systems must be in place to reduce human error."

# MTN Plans in Focus

**JOHANNESBURG, South Africa, March 18--** Investors want concrete details on MTN's ambitious plans in Iran when it unveils results next week and on whether Africa's biggest cellular operator is winning back market share in South Africa.

According to Reuters, Johannesburg-based MTN said it expected to unveil adjusted headline earnings per share for the nine months to December at 328-345 cents. The company is changing its year-end to December 31 from the end of March so it did not give comparable figures.

Analysts said the change had made it difficult to compile forecasts, but said the company's figures were roughly in line, or slightly ahead of their own expectations.

Most said they would look beyond the bottom line for signs on whether MTN—which lost market share to rival Vodacom in the key home market in the first half—had raised its game, and whether an

aggressive campaign to win new subscribers would hurt margins.

"They seem to be back on track (in terms of subscribers)," said Sean Gardner, telecoms analyst at Morgan Stanley. "But it is difficult to tell what that will cost their EBITDA (earnings before interest, taxes, depreciation and amortization) margin, or how far the bundles of cheap airtime will pull down average revenue per minute."

MTN shares have gained around 38 percent in the past 12 months, but given uncertainty at home, increased competition in its key market of Nigeria and the high risk that comes with its plans in Iran, some analysts say the stock looks expensive.

MTN trades at almost 16 times this year's earnings, according to Reuters data, while its nearest rival Telkom trades at 12.7 times. Merrill Lynch cut its rating on the stock to 'neutral' from 'buy' earlier this month, citing short-term uncertainty and possible earnings volatility.

# Persian Gulf States Criticized For Alluring Runaway Capital

**TEHRAN, March 18--** Arab littoral states of the Persian Gulf have turned into the top venue for encouraging capital flight from Iran, said a prominent economic expert here on Saturday, adding that chances of boosting economic interaction with these countries are growing dim.

Saeed Leylaz told ILNA that Iran has benefited from economic relations with other Persian Gulf states only in terms of imports, stressing that these countries have taken advantage of inappropriate investment conditions in Iran to attract the Iranians' capitals.

"These states have

played a negative role in Iran's economy," he said, adding that Iran needs to resolve political disputes with these countries before managing to change the trade balance in its own favor.

He said it will be hard to expand international trade transactions without diplomatic support.

"At a time when the UAE bourse is suffering

from a crisis, Iranian capital market is unable to attract the tiny Persian Gulf state's capitals," he said, adding that Iran has poor potentials as far as attracting other countries' runaway capitals is concerned.

He said Iran's economy needs to move fast toward privatization and investment security if it is to become globalized.

# Persian Spice to Sell With Quality Certificates

**MASHHAD, Khorasan Razavi, March 18--** Iran is planning to export saffron with quality certificates as of next month, said a senior saffron industry official here on Saturday.

Alli Shariati-Moqaddam, who heads Saffron Export Promotion Fund, told ISNA that the project will begin with exports to the United Arab Emirates (UAE), which is the

among the largest re-exporters of the Persian spice to demanding international markets.

He blamed the UAE health authorities for erroneous evaluation of Iranian saffron's quality, stressing that a group of experts from the tiny Persian Gulf state will be invited to attend training courses in Iran next month.

"Iran Standards and Industrial Research



UAE can contribute effectively to marketing for Iranian saffron in Arab countries.

Institute (ISIRI) has also announced its readiness to impart training (to the UAE team)," he said, adding that UAE authorities have jumped to the conclusion that a portion of Iranian saffron export and that country is substandard.

"They (UAE experts) need to be trained at the ISIRI-authorized laboratories," he explained. He said that annual saffron exports to UAE stands at 75 tons, worth \$35 million.

"Our estimates suggest that some 50 tons of spurious saffron, which is not saffron at all and is made up of some plant roots, is sold in this region," he said, adding that Iran's Embassy in UAE and that country's health authorities are following up the fake saffron issue.

Shariati-Moqaddam said UAE can contribute effectively to marketing for Iranian saffron in Arab countries.

Iran has planned a series of specialized seminars on saffron production and export at the international level.

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# Minister Wants Higher Derivatives Export

**TEHRAN, March 18--** Oil Minister Seyyed Kazem Vaziri-Hamaneh said here on Saturday that seven new petrochemical units will become operational in the year to March 2007, stressing that the country must increase export of oil products.

According to Fars news agency, the minister said on the sidelines of the Exhibition of Documents on Oil Industry Nationalization that the country needs to move toward exporting oil derivatives, which will bring higher value-added.

He said that the oil industry is controlled completely by Iranian specialists, stressing that modern technologies and investments come from foreign sources, if necessary.



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Asked why Iran remains a major crude oil exporter 100 years after discovery of energy reserves in the country, the minister maintained that the coun-

try is producing petrochemicals and natural gas as well.

"The world needs energy and we will have to export crude oil (to

respond to global demand)," he said, adding that the government has managed to supply oil and gas to households in Iran.

**Press Release**

**Renault Pars Introduces Website on Megane**

Renault Pars Company has the honor to introduce its website on the Megane car: [www.megane.renault.co.ir](http://www.megane.renault.co.ir)

The website offers the following information:

1. Authentic and required information about Megane car prior to the start of the official sales of the product
2. Latest news and information regarding Megane on to website's newsletters
3. Authentic information on sales agents
4. Information on how to purchase the car and relevant forms

It is worth mentioning that the website will be blocked one month after the car hits the Iranian auto market and relevant information will be accessible via the main Renault Pars website.

The [www.megane.renault.co.ir](http://www.megane.renault.co.ir) is easy to use and provides information on the features, technologies, interior design and safety of the car. The Megane has been one of the most popular cars in Europe in recent years. It is worth visit the website.

Renault Pars

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