

4 State Firms Ready for Privatization

TEHRAN, July 21--A senior Privatization Organization official said here on Friday that four major state companies are ready to offer their shares on the stock market as part of the groundbreaking privatization project that followed the leader's announcement last month of the latest reading of Article 44 of the Constitution, which allows large-scale privatizations.

Mehdi Aqdaei, deputy head of the organization for share transfer affairs, told ISNA

that Industrial Development and Renovation Organization (IDRO), Mobarakeh Steel Mills, Khuzestan Steel Company and the Islamic Republic of Iran's Shipping Lines (IRISL) have been given higher priorities in the giant privatization work.

"Some 20 percent of these companies' shares will remain under state control, some 40 percent will be ceded as Justice Shares, five percent will be transferred to these

companies' personnel and the remainder will be offered on the stock market," he said, adding that the stock market will be in charge of setting share prices.

He said poorly-paid sections will receive 50-percent discounts and will have to repay in 10-20 years.

Aqdaei said some 14 million people fall into this category. "As far as Justice Shares are concerned, only profit-making companies' shares will be transferred," he said.

Minister Blames Mismanagement For Workers' Woes

Temporary Contracts Problematic

SHIRAZ, Fars, July 21--Minister of Labor and Social Affairs Mohammad Jahromi here

late Thursday blamed some 50 percent of challenges faced by the workers' community on the mismanagement of employers, stressing that a business can last only through proper human interactions between the employee and the employer.

According to IRNA, the minister further told a labor seminar in the southern city of Shiraz, Fars province, that a worker is not a tool. "Unlike what some managers of industrial and

services companies think, production costs cannot be met by (cutting) workers' salaries," he said.

He noted that the ministry is determined to protect the labor force.

The minister said provincial employment schemes have been drawn up and that unemployment-related issues will be examined separately to identify problems and suggest solutions.

He criticized the employers for immediately cutting the workers' salaries after the ministry gave them the much-needed go-ahead to do so. "We did not expect the

employers to change salaries immediately after the directive (to set the minimum salary through consensus between the workers and the employers) was announced," he said, adding that the conditions of workers and workplaces should have been considered before changing the salaries.

He said one of the gravest challenges facing the labor community is the temporary contracts.

Jahromi added that such contracts are increasing in number and that there are serious concerns that temporary contracts would be extended to all workplaces.

\$4b Earmarked for Developing Transport System

TEHRAN, July 21--Government has earmarked \$4 billion in foreign finance for organizing and improving public transport system this year.

Announcing this to IRNA, deputy head of Urban and Rural Development Office at the Management and Planning Organization, Nouri Amiri said that some 12,000 billion rials will also be allocated in the current year from the Forex Account and public funds to this end.

According to the official, the move aims to ensure sustainable development of cities and towns, as well as protection of the envi-



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ronment. In this respect, the government will be

authorized to spend the above-mentioned fund on the ongoing develop-

ment projects in public transportation sector, including railway net-

work, buses, cabs, as well as environmental projects to phase out dilapidated cars.

In the year to March 2007, 6,500 buses, 12,000 minibuses, 30,000 taxis and 15,000 vans will enter the public transport system. Some 400,000 public vehicles will also be converted to operate on gas, of which 30,000 will replace dilapidated ones. Also, 30,000 gas-fueled taxis will enter the public transportation fleet," he explained.

The official added that 82.5 percent of the funds to purchase one single vehicle will come from public funds and the rest from road duties collected by the provinces.

200,000 Tons of Tea In Warehouses

TEHRAN, July 21--As the country needs to import 60,000 tons of tea per annum to meet the annual demand of 110,000 tons, some 200,000 tons of domestically-produced tea remain in warehouses.

Mehdi Ghazanfari, deputy commerce minister, told ISNA that tea imports were banned in 2001, 2002 and 2003 leading to large scale smuggling of the product into the country.

"The ban was lifted in 2004, when import tariffs were set at 20 percent and this has been increased to 30 percent since last year," he said, adding, however, that importers have been given a chance to enjoy the four-percent tariff privilege provided they purchase domestic tea as well.

"For purchasing of every one kilo of domestic tea, importers will be able to bring in 1.5 kilos of foreign tea at import tariff rate of four percent," he said.

He said in 2004 some 22,000 tons of tea, worth \$57.5 million, was imported and this figure increased to 32,000 tons, valued at \$76.4 million, in 2005.

The official further noted that a working group comprising of representatives of Central Bank of Iran, the Ministry of Industries and Mines, the Ministry of Agriculture Jihad and Management and Planning Organization will be set up soon to look into the challenges facing the tea industry.

90 MPs Propose VAT Policies

TEHRAN, July 21--A lawmaker said here on Friday that some 90 MPs have, in a letter to the head of Majlis Economic Commission, proposed the general policies pertaining to the implementation of the controversial Value-Added Bill.

Mahmoud Abtahi, a member of Majlis Industries and Mines Commission, told Fars news agency that in the letter, the MPs have voiced concerns and suggested a number of proposals regarding the VAT Bill.

"This letter suggests that if the VAT Bill is implemented without considering certain prerequisites, it will not be able to address the concerns of industrial and mining sectors as well as the problems arising from high production costs and the psychological impact (of implementing VAT Bill) on inflation," he said.

He said the proposals include the clarification of other parallel laws such as the Aggregate Tax Law and mechanization of procedures of receiving VAT charges, projection of possible inflationary impacts, separation of various manufacturing and industrial categories as well as assignment of responsibilities for private and state sectors in relation to the matter.

He further said that under Article 85 of the Constitution, Majlis Economic Commission has been delegated the task of studying the VAT-related issues.

Sewerage for Only 26% Of Urban Population

ISFAHAN, July 21--Energy Minister Parviz Fattah said here on Thursday that only 26 percent of the country's urban population has access to the sewerage system, adding that low precipitation and high underground water pollution require greater efforts to develop sewerages nationwide.

According to IRNA, the minister said at the ceremony to launch the first section of eastern Isfahan sewerage that over 70 percent of the country's potable water is supplied through underground waters, stressing that sewerages help prevent water pollution significantly.

"Sewerage projects are underway in some 200 cities and 108 water treatment centers are being constructed in various parts of the country," he said, adding that 14 water treatment centers will become operational by March 2007.

"If the government is provided with the required funds, the number of water treatment centers to be completed by next March will reach 30," he said, calling on the parliamentarians to establish greater interactions with the government in this respect given the high significance of the issue.

The minister said nationwide sewerage projects have shown an annual progress of only three percent, which is quite insignificant given the critical situation of underground waters both in terms of quantity and pollution.

Fattah said the government is planning to provide farmlands with water from treatment plants, stressing that implementing such projects will require a strong determination.

He said that precipitation has stood at 225 millimeters so far this year, which has been down by 250 millimeters against the figure for the corresponding period of last year. "Water shortage has reached critical levels in eight provinces," he said.

Rls1.5 Trillion for Promoting Non-Oil Exports



Funds allocated for improving non-oil exports show a 500-billion-rial rise against the figure for March 2005-2006.

TEHRAN, July 21--Some 1.5 trillion rials have been allocated for promoting non-oil exports in the March 2006-2007 period, said an advisor to the commerce minister here on Thursday.

According to IRNA, Babak Afqahi, who is also deputy head of Iran's Trade Promotion Organization, further said that the Management and Planning Organization (MPO) has asked the organization to contribute to increasing non-oil exports significantly by next March.

He said funds allocated for improving non-oil exports show a 500-billion-rial rise against the figure for March 2005-2006, stressing that some 20 billion rials has also been allocated for private institutions involved in the project.

Some 48 billion rials has also been earmarked for provincial projects ratified during the president's regular visits, he said.

The official noted that the funds will also be used to send business teams to target markets for marketing and participation in international exhibitions. Afqahi said all non-oil export companies, private and cooperative companies involved in the business will be provided greater financial assistance this year.

He said another 20 billion rials will be allocated for developing the relevant know-how, adding that postgraduate dissertations which address non-oil export related-issues will also be supported this year.

Iran-Scandinavian Chamber of Commerce Set Up

TEHRAN, July 21--Iran-Scandinavia Chamber of Commerce officially started its work here on Thursday.

Addressing a press conference, head of board of directors at Iran-Scandinavia Chamber of Commerce said the chamber will aim to broaden cooperation between Iran and Scandinavian countries by promoting the export of Iranian products, reported IRNA.

Reza Khalili Deilami added that the Iran-Scandinavia Chamber of Commerce is an economic entity which will seek to expand economic ties between Iran and Scandinavian countries such as Sweden, Denmark, Norway and Finland. "Scandinavian Chamber of Commerce was established in Sweden some two years ago and now has 580 members. The chamber also set up its office in Tehran and will soon invite new members," he said.

One of the main aims of the chamber in Tehran, he said, is to facilitate visits by trade delegations. "This chamber is independent and its activities are distinct from those of Iran's Chamber of Commerce, Industries and Mines. It has been registered in Iran as a representative office."

He argued that despite the long-established trade ties between Iran and Scandinavian nations, the former has organized no exhibition to display its products in the region, and that Iran-Scandinavia Chamber of Commerce will seek to rectify this. He maintained that the chamber will also aim for better relations between the Scandinavian chambers of commerce and other nations.

Broader Economic Ties With Syria

DAMASCUS, Syria, July 21--An Iranian trade delegation in a meeting with Syrian Prime Minister Najji Al-Utri on Thursday discussed ways of broadening economic cooperation between the two Muslim states.

According to IRNA, the two sides exchanged views on the important

role of Iranian and Syrian traders in the expansion of bilateral ties in industry and trade.

At the meeting, the Iranian delegation, which was headed by an industrialist from Khorasan Razavi province Hassan Akhundi, also discussed the importance of implementing joint economic projects, a stock market,

as well as development of industrial townships in Syria.

The two sides exchanged views on finding ways to allocate funds for implementation of joint economic projects in Syria, mainly in the fields of building construction, as well as tourism and development. The Syrian prime minister

called on Iranian companies to invest more in the fields of electronic, mechanical industries and building construction in his country.

Iran and Syria have experienced a significant growth in economic cooperation in recent years. Iran-Syria trade stands at around \$100 million annually.

AHVAZ, Khuzestan, July 21--Iran and China will establish a joint border market on the Iran-Iraq border near Khorramshahr in the southwestern province of Khuzestan, it was announced on Thursday.

A Chinese business corporation will invest \$75 million in the joint market in Shalamche, IRNA

reported.

An eight-person Chinese delegation is in Khuzestan to conduct market research and feasibility studies on the project.

Managing Director of the Chinese firm Zhejiang Zhongfu said the market will be constructed in an area of 33 hectares and it is expected that the construction which will take about

six years will be implemented in three phases.

The joint market will have a turnover of about \$800 million and create employment for some 10,000 people in the province, he said.

He hoped that the joint market would pave the way for the development of the region. Khuzestan's Deputy

Governor General for financial and planning affairs Ali Asghar Vahedi said in the meeting that the joint projects would be of interest to both sides.

The two sides also discussed expansion of mutual cooperation, facilitating visa issuance for businessmen, providing accommodation as well as over-coming bureaucracy.