

Proposal for 7 New Private Financial Bodies

TEHRAN, Feb. 25--A proposal has been made by the Ministry of Economic Affairs and Finance to set up seven non-governmental financial and monetary institutes.

Stating the above to IRNA here Sunday, Hamid Pourmohammadi, deputy head of banking, insurance and state-owned companies' affairs at the Ministry of Economic Affairs and Finance, said the proposal to set up these institutes was reviewed and discussed by several working groups in cooperation with the ministry, banks, insurance companies, and investment firms.

The official said the necessary directives

and ratifications on the proposed institutes have already been drawn up and the ministry plans to take the next step in this respect in line with the directive of the Supreme Leader Ayatollah Seyyed Ali Khamenei on Article 44 of the Constitution which calls for large-scale privatization.

According to him, one of the proposals is to set up an 'investment bank' within the framework of Article 44 in the near future.

He said some of the main duties of the bank would be to act as an intermediary in the purchase of state-owned company shares, receive applications, help marketing, pur-

chase and distribution of bonds, guarantee bonds, offer consultative services to share buyers, conduct economic study and research on companies selling shares in the stock market, offer limited investment guarantees, and pave the way for absorbing foreign direct investment.

According to Pourmohammadi, other proposals concern setting up of credit rating institute, institute regulating delayed research works, credit guarantee institute, comprehensive credit data bank, financial and investment consultative group, and non-profit bank.

Commission Fixes Gasoline Price At Rls1,500/Liter

TEHRAN, Feb. 25-- Majlis Joint Commission studying the budget for the year March 2007-2008 has

prevent rationing of the commodity. The lawmaker said the commission has proposed numerous plans to

rising fuel consumption levels and prevent wastage of funds from the Foreign Exchange Reserve Account. The



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approved a plan to sell gasoline at 1,500 rials per liter and place the bill before an open session of the parliament. If approved, the commission estimates that the rate of inflation will be around 2.7 percent during the year.

Jamaleddin Arjmand, a member of Majlis Plan and Budget Commission told ILNA that under the proposed bill, gasoline will be sold at 1,500 rials per liter which will

resolve the problem of gasoline prices. "Lawmakers are trying to encourage the government to generate revenues through means other than oil exports such as tourism and taxation."

Arjmand said that the commission studied three options. "The first option was to sell petrol at the current price of 800 rials per liter which is not going to help reduce pollution, curb

commission rejected this option."

He noted that the second option was to ration gasoline which is almost impossible as it is not that easy to control the energy market and the commission did not ratify the second plan either.

The third option was to sell gasoline at 1,500 rials per liter and diesel at 450 rials per liter which was finally approved by the commission, he added.

Aerospace Plan Ratified

TEHRAN, Feb. 25-- Cabinet has approved a comprehensive ten-year plan for the space sector, said Communication and Information Technology Minister Mohammad Soleimani.

Speaking at the 6th Conference of Iran's Aerospace Association, he said that according to the plan the government is bound to make a decision, provide financial resources and create a systematic structure for the sector, IRNA reported on Sunday.

The minister added that the employees of technical and engineering departments of aerospace sector are among the most talent-

ed in the country and ground should be created for proper use of the huge resources.

Referring to production in the ICT sector, he said that the ministry has determined the main elements of production as specialized workforce, global competition and localization of information.

Soleimani stated that due to import of low price foreign products, mobile and fixed communication sectors face stiff competition but production and competition in the field of aerospace is more logical.

He added that investment in the communication sector entails quick returns

with a maximum of three years.

"Investment in the aerospace sector is very crucial and takes time, but we will try our best to expedite the process," he concluded.

Soleimani said earlier that if Iran fails to develop its mobile phone network fast enough to catch up with international developments, it will lose its current status to some regional states.

The minister added that the ministry is committed to work under Vision 2025 and the Fourth Plan (2005-2010) and that it has to materialize the objectives, which include rapid progress in the cellphone sector.

Turkey Warned Against Gas Reexports

TEHRAN, Feb. 25--Oil Minister has warned Turkey that it cannot re-export the gas it imports from Iran to third parties in the region.

According to ISNA, Minister Kazem Vaziri Hamaneh said here Sunday that Ankara has no right to re-export Iranian gas to other destinations, adding that this provision has been included in the gas export deal signed between Tehran and Ankara in 1996.

A number of oil officials have recently said that Ankara has held talks with a number of neighboring states to re-export Iranian gas at knock-down prices cheaper than those proposed by Russia.

According to the World

Tribune, Turkey has recently been trying to turn itself into a major transit route for energy.

Iran has supplied gas to Turkey via a pipeline from Tabriz to Ankara since 2001, under a major contract that mandates the country to supply several billion cubic meters of gas annually.

Under the gas contract signed in 1996, Iran was obliged to supply three billion cubic meters to Turkey in the first year, with the volume rising to 10 billion cubic meters by 2007. However the supply was hit by wrangling about price and quality as well as sporadic attacks on the pipeline blamed on Kurdish militants.

Reinforcing Buildings Crucial

TEHRAN, Feb. 25-- Reinforcement of building structures and enactment of regulation for the purpose should be taken seriously by all organizations, said Interior Minister Mostafa Pourmohammadi here on Saturday, IRNA said.

Speaking in a gathering of engineers in the Interior Ministry, he said that Iran is among the first five countries in terms of natural disasters while huge amounts are being

Pourmohammadi recalled that ten of thousands lost their lives in devastating earthquake in Bam in 2003 but because of proper information dissemination only 64 persons were killed in earthquake of Lorestan province.

He said that some 30,000 housing units have been constructed in quake-hit regions of Lorestan. "We witness that necessary regulations are not observed in some

seismic fault-lines. Iran suffers from frequent earthquakes, with small tremors occurring almost daily.

For the same reason, officials and engineers are working round-the-clock to devise plans to encourage the use of high-quality building materials and observe standard procedures in the three main types of construction projects, namely buildings, highways and industrial plants.

Petrochem Sector Pioneer In Privatization

TEHRAN, Feb. 25--Deputy minister of petroleum for petrochemical affairs Sunday has said that compared to other industries, the petrochemical sector was a pioneer in transferring its shares to the private sector.

Gholam-Hossein Nejabat, who made the statement in an interview with PIN,

are now preparing the remaining list of stocks," added the NPC managing director.

Talking about the NPC production in the year March 2006-March 2007, Nejabat said the company's output would reach some 15 million tons and, predicted that the figure would rise to 32

OIC to Establish Anti-Poverty Fund

RIYADH, Saudi Arabia, Feb. 25-- Economic and finance ministers of the Organization of the Islamic Conference agreed on Saturday to establish a specialized fund to fight poverty in member states.

The agreement was made on the sidelines of the General Assembly Meeting of the International Islamic Trade Finance Corporation (ITFC) in Jeddah on Saturday.

The meeting was attended by the economy and finance ministers of OIC member states including Iran.

The ITFC aims to boost economic development in member countries by promoting regional trade. It has an initial capital of \$300 million. Iran's

Economic Affairs and Finance Minister Davoud Danesh-Jafari told IRNA on the sidelines of the meeting that Iran was to increase its contribution to the institute to \$40 million from its present \$1.9 million.

He said that Iran's share at the ITFC would be raised by promoting economic activities of the Iranian banks and those of the country's private sector.

Meanwhile, President of the Islamic Development Bank (IDB), Ahmed Mohammed Ali said in his address to the meeting that the specialized fund to fight poverty in the OIC member states 'will work to alleviate economic burdens and combat poverty in the least developed member countries'.



The main reasons for the large number of flattened buildings in earthquakes are that most residential buildings are not quake-resistant and good quality construction materials were not used.

spent on constructing buildings with a useful lifespan of 30 to 40 years.

The minister noted that financial resources are wasted while observing regulations not only increase the age of buildings but also provides safety to the people.

buildings," he said.

The minister hoped that the country should regain its previous stature in the field of architectures and construction.

Iran is often hit by quakes of varying magnitudes as it sits on some of the world's most active

The main reasons for the large number of flattened buildings and high death toll in earthquakes, which have hit the country in recent years, are that most residential buildings are not quake-resistant and good quality construction materials were not used.



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added that the Privatization Organization was conducting studies on the National Petrochemical Company (NPC).

"We have offered 72 plans on petrochemical companies to be finalized by them (Privatization Organization)," he said.

"Shiraz Petrochemical Complex and Petrochemical Transportation Company were the last plans we presented and we

million tons in the year to March 2008.

He explained that a 17-million-ton increase would be achieved with the commissioning of five petrochemical complexes.

Leader of the Islamic Revolution Ayatollah Seyyed Ali Khamenei issued a decree in early July to privatize state industries by amending Article 44 of the Constitution, which had banned private ownership of state institutions.

Buybacks Help Boost Energy Output

TEHRAN, Feb. 25--Oil Engineering and Development Company's (OECD) manager for legal affairs and contracts said buyback deals, as the main mechanism for financing and implementing oil and gas projects, have helped attract foreign capital worth billions of dollars and boost output of oil and gas reserves.

Nasrollah Ebrahimi pointed to the participation of Iranian companies and domestic share in buyback contracts and said, "The country has covered 30 percent of the executive cost in Sirri field, 40 percent in phases 4 and 5 of South Pars field, 30 percent in Darkhoen field, 30 percent in Doroud field, 30 percent in Sorush and Norouz fields, and 51 percent in Forouzan, Esfandiar, Masjed Soleiman, Azadegan, and Salman fields each."

Recalling some articles of buyback contracts, he said that such contracts had necessitated the employment of Iranian experts, introduction of required mechanisms by contractor, obtaining of license and approval of National Iranian Oil Company on supply of equipment, and transfer of technology to personnel.

Traders Assured of Support

ASHKHABAD, Turkmenistan, Feb. 25--Iran's Ambassador to Turkmenistan Mohammad Reza Forqani here Saturday pledged strong government support for traders describing them as forces involved in the economic front.

Speaking at a gathering of Iranian businessmen here, he underlined that officials intend to reduce the government's role in the economic sector and pave the way for the development of the private sector.

"Despite the enemies' extensive propaganda, no particular economic problem or crisis has so far been encountered in production on the domestic scene.

"Therefore, such anti-Iran propaganda should not have the slightest impact on the activities of tradesmen," he added.

Turning to his meeting with the new Turkmen President Gurbanguly Berdimukhammadov on Friday, he said that the atmosphere is now quite favorable for Iranian trades-

men active in this country.

The diplomat urged that therefore, Iranian businessmen should use the opportunity to the optimum to expand trade and economic relations with Turkmenistan.

Rejecting the use of traditional trading methods, he said that all tradesmen should be familiar with modern trade procedures to make their economic activities lawful.

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