

News in Brief

S. Africans Review

New Cooperation Venues

Iran and South Africa held a preliminary meeting of their economic, commercial and technical cooperation commission in Tehran on Monday.

According to IRNA, the meeting, which was chaired by Iran's deputy minister of economic affairs and finance and South Africa's deputy foreign minister, reviewed the agenda of the next session of the joint commission which will be held within the next two months in Tehran.

The preliminary meeting was attended by representatives of the ministries of commerce, road and transportation, agriculture jihad, oil, foreign affairs and industries and mines.

After the meeting, deputy economy minister and head of Organization for Investment, Economic and Technical Assistance of Iran, Behrouz Alishiri told reporters, "Presence of MTN Company (Iranell) in Iran is a successful model of cooperation between the two countries which means Iran's market has the capacity to absorb other South African companies."

South African Deputy Foreign Minister Aziz Pahad said that his country obtains 40 percent of its oil from Iran and underlined that there are suitable grounds for expanding ties.

He added, "In the next two years trade between the two countries is expected to reach to more than \$7 billion. Currently, trade between Iran and South Africa is around \$4.3 billion."

Italy Mulls Investments

European investors, particularly the Italians, are thinking about investment in Iran, head of Axis Faits Services Company told IRNA.

Marco Caspani, who was taking part in a meeting titled "Industrial Development of Charmahal-Bakhtiari" in Shahr-e Kord on Monday, noted that the Islamic Republic is resource rich and this has attracted European investors.

"Iran has established the main infrastructures in water resources which can draw more foreign investors," Caspani said expressing his company's willingness to cooperate with Iran in marketing and exporting mineral water.

Axis Faits Services Company is involved in investment and holding exhibitions of Italian products and foreign trade.

Absal to Receive ITFC Loan

Islamic Trade Finance Corporation affiliated to the Islamic Development Bank has agreed to grant a loan of seven million euros to Iran's Absal Company.

Absal is one of the major manufacturers of home appliances in Iran. Evaporative air coolers, room gas heaters, gas cookers and washing machines are among the various products of the company.

Public Relations Office of Iran's Ministry of Economic Affairs and Finance that the repayment period of the loan is 12 months, with the payment guaranteed by Bank Mellī Iran, reported MNA.

Absal needs to introduce a representative with signature right to the Islamic Trade Finance Corporation (ITFC) to finalize the loan.

The company can open a letter of credit and begin using the loan after obtaining and presenting the principal and interest payment guarantee of the bank to ITFC.

No Conditions on IPI Deal

Head of Iran's negotiating team for the Peace Pipeline, Hojjatollah Ghanimifard has said that Iran has not yet received any new formal or written conditions from India about the proposed Iran-Pakistan-India gas pipeline.

He was commenting on unofficial news about India's request to remove the section in the deal which calls for reviewing gas prices.

He said that all international agreements are based on standard conditions, noting, "Our Indian friends should not expect Iran to agree to something which is not in line with standard procedures."

Ghanimifard further told reporters that the gas pipeline deal will be binding once it is endorsed by senior officials of the three countries, Fars news agency wrote.

From the beginning, all agreements should be endorsed by relevant officials, he said, adding that any review or revision of an agreement by officials of the three countries is not considered as nullification of earlier deals.

Ghanimifard, who doubles as director of international affairs at the National Iranian Oil Company, referred to a 45-day limit by Iran's President Mahmoud Ahmadinejad to conclude the gas deal, expressing hope that Iran, Pakistan and India would finalize the deal sooner.

Moving Into The Big League

From the Persian Gulf to the Caspian region, the Caucasus, Central Asia, South Asia and beyond, thanks to its unique geographical location, Iran is in many ways an ideal connecting bridge that has not until now fully exploited its advantageous 'equidistance' from India and Europe, Asia Times wrote.

Straddled between the two energy hubs of the Persian Gulf and Caspian Sea, Iran is a suitable conduit for trade, energy and non-energy, between the Arab states of the Persian Gulf, which are members of the Persian Gulf Cooperation Council (PGCC), and the landlocked Central Asian states. The PGCC comprises Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

Also, with ambitious transportation links projected under the veneer of a 'north-south corridor', Iran, Russia and India have conceived new areas of cooperation that connect northern Europe to the Indian Ocean via Iran and the Russian Federation. Already, Iran is an energy exporter to Turkey, funneling through Turkmenistan's gas and swapping oil with Kazakhstan and Azerbaijan.

Also, Iran has plans not to lag behind the so-called new 'Silk Road' project that involves China, India and the PGCC states first and foremost and yet for every conceivable reason must be considered Iran-inclusive because of the country's proximity, its expanding trade and economic cooperation with the PGCC, and its own trade liberalization policies, reflected in the expansion of free-trade zones.

This is one reason why Iran is modernizing its Persian Gulf islands of Kish and Qeshm, hoping to turn them into tourist spots as well as hubs for trade and even finance in the near future.

Iran's low trade with South Asia is reflected in the sub-optimal commercial ties between Iran and Pakistan, as is the case between Iran and other members of the region's 10-nation Economic Cooperation Organization (ECO).

Attempts to make the ECO a fulcrum of regional cooperation have by and large failed and ECO's struggle to achieve a major breakthrough in terms of regional cooperation has not brought significant tangible fruits.

Yet that may change, particularly if Iran (a) is inducted in the



Iran is a suitable conduit for trade, energy and non-energy between the Arab states of the Persian Gulf and the landlocked Central Asian states.

Iran is modernizing Kish and Qeshm islands, hoping to turn them into tourist spots as well as hubs for energy trade and finance in the near future

Shanghai Cooperation Organization, in which it is presently an observer, and (b) the IPI project finally gets underway, in which case Iran's greater integration into larger entities will bolster its attempt within the ECO to make this regional organization, which is headquartered in Tehran, more effective.

With respect to the Persian Gulf, the PGCC, which used to shut Iran's olive branch of cooperation, is rethinking that attitude as it is not far-fetched to think that Iran and Iraq will one day join the PGCC states in a new regional cooperative framework.

Economically, however, for Iran and Non-Alignment Movement states seeking a redistribution of global wealth, concentrated in Western hands, there is no alternative but to push for greater cooperation between themselves and achieve better coordination at international institutions such as the World Trade Organization (WTO), in light of the WTO's ongoing trade wrangling known as

the Doha rounds.

Although Iran is not yet a WTO member, it will be directly impacted by the final agreements of the Doha rounds, due later this year, which is why it is essential for Iranian policymakers to focus on the Doha rounds and to scrutinize the agricultural and non-agricultural new policies of the WTO that distinguish between developed and developing nations.

Turkmen Gas Import Issues Resolved

Iran will import around 30 million cubic meters of gas per day from Turkmenistan and the two neighbors will look into the possibility of further increasing the volume, a senior Iranian official said.

Announcing this, Reza Kasaizadeh, head of National Iranian Gas Company, told Fars news agency that the amount of imports was part of an April 25 agreement under which Turkmenistan agreed to resume natural gas exports to Iran which were cut off last winter.

During the negotiations, Iran agreed to pay a higher price for the imported gas, but the details of the new pricing formula were not released.

Central Asia's top gas exporter stopped deliveries of up to 23 million cubic meters to Iran in late December, citing technical issues.

Iran has said the aim was to raise the gas price and criticized Turkmenistan as an unreliable supplier.



Turkey to Boost Investment

Turkish Trade Minister Kursad Tuzmen has said that Turkey will increase investment in Iran despite US pressures to isolate Tehran.

Tuzmen, who arrived in Tehran at the head of a 60-member trade delegation on Tuesday to attend the Iran-Turkey trade commission meeting, told IRNA prior to his departure from Ankara, "Iran is a key trade partner for Turkey and Ankara is committed to expanding ties with Tehran."

He added that UN sanctions and US pressures will not strain the cordial ties between Iran and Turkey.

The Turkish minister noted that trade between the two countries has reached more than \$8 billion, up from some one billion dollars in 2002.

"Trade between the two countries can easily hit \$20 billion and I intend to achieve this goal," Tuzmen said.

The Turkish official maintained that robust trade ties will further boost political ties between the two brotherly and neighboring countries.

According to the Iranian officials, Iran and Turkey have the capacities and the means to expand cooperation in different fields and the exchange of political, media and economic delegations could serve to increase mutual understanding between the two countries.