

News in Brief

OPEC Output Hike Opposed

Iran dismissed on Saturday Saudi Arabia's decision to boost oil output as a 'political move' and said any OPEC (Organization of Petroleum Exporting Countries) production hike would only lead to an increase in reserves, Reuters wrote.

Oil Minister Gholamhossein Nozari was speaking a day after OPEC member Saudi Arabia announced a modest increase in output after an appeal from visiting US President George W. Bush.

"No, because I think a hike in output will add to an increase in reserves," Nozari told reporters when asked whether the 13-member organization would increase production as requested by the United States.

Asked about Saudi Arabia's announcement that Riyadh had agreed to boost output by 3.3 percent, or 300,000 barrels per day, to loosen up the market and make up for declines in other OPEC nations, he said, "This action is more of a political move. This action will only help to increase reserves."

Iran is the second-largest producer in the Organization of Petroleum Exporting Countries after Saudi Arabia. The country has repeatedly said the market is well-supplied with crude and blamed the rising oil price on the weak US dollar and other factors outside OPEC's control.

Call for Expediting Turkey Road Links

Turkish Ambassador to Pakistan Rauf Engin Soysal has underlined the need for expediting the development of Pakistan-Iran-Turkey road links to boost trade activities among these countries in the current globalized economy.

"There is a dire need to implement Economic Cooperation Organization (ECO) Transport Pact agreed at the ECO ministerial meeting on Transport and Communication in Antalya, Turkey in April," Pakistan Daily quoted the envoy as saying after meeting the business community at Sarhad Chamber of Commerce and Industry (SCCI).

Pointing to the need for opening up Pakistan-Iran-Turkey road lines for trade activities, he said there was no hurdle for Turkey in this respect. However, he added that a section of road in Baluchistan needs to be upgraded to ensure unhindered transportation for which Pakistan should play its role.

Meanwhile, Iran's Housing and Urbanization Minister Mohammad Saadedkia met Turkey's Public Works and Housing Minister Faruk Nafiz Ozak, who is in Iran to attend the Second Asia-Pacific Housing Ministers' Meeting.

Giant Port Planned in Anzali

Managing director of Anzali Free Trade and Industrial Zone has announced that Iran will construct the largest port in the Caspian Sea in Bandar Anzali, Gilan province.

Kamal Firouzabadi told Fars News Agency that countries try various social, political, and economic methods to reach economic development and one of these ways is to upgrade free trade zones.

He further explained that the construction would begin by the end of the current Iranian year (March 2008-2009).

Among the other projects in Anzali Free Trade Zone, he referred to the studies on the construction of roads and transportation routes to this zone and said that the port will be built at a cost of approximately \$435 million.

Proximity to CIS ports such as Astrakhan and Lagan in Russia, Turkmenbasy in Turkmenistan, Aktau in Kazakhstan and Baku in Azerbaijan can be considered among the advantages and opportunities of Anzali Free Trade and Industrial Zone.

The port also is close to the largest gas and oil reserves in the Caspian Sea and is located near an international airport and not far away from the capital Tehran. Anzali Port is also the producer of the world's best caviar.

Anzali Free Trade and Industrial Zone has an area of approximately 3,200 hectares, with around 8 kilometers of coastline extending up to two kilometers into the sea.

Iran Among 9 Iodine Producers

Iran's first iodine production plant was inaugurated on Saturday in the northern province of Golestan in a ceremony attended by Minister of Industries and Mines Ali Akbar Mehrabian.

According to MNA, by launching the plant, Iran becomes one of the nine iodine producing countries of the world along with Russia, China, Japan, Indonesia, Chile, the US, Turkmenistan and Azerbaijan Republic.

The plant, which was built at a cost of over 25 billion rials (about \$2.7 million), will produce 65 tons of iodine annually with over 99.5 percent purity.

A plan is also underway to boost the plant's production capacity to 130 tons per year.

Tehran Chamber Key to Privatization



By notifying state officials of the general policies of Article 44, Leader of the Islamic Revolution Ayatollah Seyyed Ali Khamenei has attached great importance to privatization.

Transferring a major portion of the economy to the private sector is the main prerequisite for implementing the general policies of Article 44 of Iran's Constitution which seeks large-scale privatization, said chairman of Tehran Chamber of Commerce, Industries and Mines (TCCIM) Yahya Al-e Es'haq.

He told Fars News Agency that the chamber should perform its duties by preparing suitable grounds. "We should move away from the current economic situation, which dates back to 80 years ago. We did not perform well in the field of economy in the past," he regretted.

Iran, which is located on the North-South Corridor, can be considered a golden gateway to countries in the East and the West.

"TCCIM can help the government, parliament and economic institutes draw up the bylaws and strategies," he noted.

He called on the State Expediency Council to pay more attention to a draft prepared by the TCCIM to implement Article 44.

Given that 80 percent of the state-run economy is due to be handed over to the private sector, increasing the capacity and entrusting more responsibilities to the chamber is of high importance, he said.

The chamber can be involved in many activities including establishing investment companies, providing legal counseling and cooperating with foreign companies, noted Al-e Es'haq.

A huge amount of money has been spent on training managers of the state-run entity, he said adding that they should cooperate with the private sector in solving their problems.

He added that manpower is important in materializing the objectives of privatization. He regretted that the capacities of 3.5 million graduates and a large number of students have not been properly utilized and mismanagement is the main reason for the problem.

Chambers of commerce can play a key role in rectifying the situation, he noted adding that they can also assist the Judiciary draw up rules and regulations and pave the way for implementing Article 44.

"If we can't implement Article 44, we cannot achieve the targets of Vision 2025," he added. Notification of general policies of Article 44 was a big step towards developing the economic structure which has been under state monopoly in recent decades.

"By notifying state officials of the general policies of Article 44 at a time the country is involved in many other pressing issues such as the nuclear case, Leader of the Islamic Revolution Ayatollah Seyyed Ali Khamenei has attached great importance to privatization. Therefore, all officials should try their best to implement it," he stated.

The government is obliged to boost the private sector's share in the economy, under Note C of the constitution's Article 44. To this end, state-owned organizations and ministries have taken extensive measures as experts debate the pros and cons of privatization in all fields.

Article 44 states that Iran's economy comprises three sectors: state, cooperative and private, based on systematic and sound planning. The state sector includes all large-scale and mother industries, foreign trade, major minerals, banking, insurance, power generation, aviation, shipping, transportation and the like. All these will be publicly owned and administered by the state.

The cooperative sector includes cooperative companies and enterprises concerned with production and distribution in urban and rural areas. And the private sector consists of agricultural, animal husbandry, industrial, trade and service activities that supplement the economic operations of the state and cooperative sectors.

Concessionary Oil For Sri Lanka

Iran will provide oil at a concessionary rate of \$110 per barrel to Sri Lanka until July under an agreement signed during the recent visit to the South Asian nation by Iranian President Mahmoud Ahmadinejad.

Speaking at the weekly cabinet briefing, Sri Lankan Media Minister Lakshman Yapa Abeywardana said that though oil prices are increasing in the world market, "with this relief measure, the country has been able to save nearly \$1,500 million under this agreement", according to Fars News Agency.

A committee appointed by the Sri Lankan president is studying world oil price fluctuations to find out ways of providing relief for consumers.

"We do not want to place burdens on ordinary masses and have not taken any decision to increase fuel prices," he said. "Once the expansion of the Sapugaskanda oil refinery is completed with Iranian assistance, we can save a huge amount of money spent on oil imports," the Sri Lankan minister added.



New Drilling Technology Mastered

Despite obstacles created by some western countries, the Islamic Republic has managed to acquire the technology for horizontal directional drilling (HDD), said engineering and planning manager of Oil Pipeline and Telecommunication Company, a subsidiary of the National Iranian Oil Company.

"For the first time, Iranian specialists succeeded in installing 12 pipes across Bahmanshir river bed using HDD technology," explained Abbas-Ali Jafari, according to IRINN.

While noting that this method was initially used in 1972 in the US by installing just one gas pipe, he added, "Crossing 12 oil pipes with different diameters through a canal with a width of only 40 meters has been achieved in Iran and for the first time in the world."

Directional boring, commonly called horizontal directional drilling or HDD, is a steerable trenchless method of installing underground pipes, conduits and cables in a shallow arc along a prescribed bore path by using a surface launched drilling rig, with minimal impact on the surrounding area.

Directional boring is used when trenching or excavating is unsuitable.