

## News in Brief

## IPI Pipeline Talks Next Week

Iranian and Pakistani officials are slated to meet in Tehran on May 26 to hold another round of talks on the proposed \$7.4 billion gas pipeline which is due to take Iran's rich energy reserves to India via Pakistan, Fars News Agency reported.

A senior official in Pakistan's petroleum ministry said that the two sides have proposed to hold talks on IPI pipeline deal so that the final arrangements could be made on signing of Gas Sales Purchase Agreement (GSPA).

He added that signing of GSPA on gas pipeline deal could be delayed due to uncertainty following the resignation of his country's petroleum minister Khawaja Asif.

The official further stated that Iran and Pakistan were supposed to sign the GSPA on IPI without any other round of talks and during the Iranian president's visit to Pakistan on April 28. The two sides also agreed to sign a deal within 45 days, he added.

He said that the upcoming talks could be for making arrangements for signing the GSPA on IPI that would be signed by petroleum secretaries, ministers and heads of states of two countries.

Meanwhile, the official recalled that Iran and Pakistan had finalized the GSPA on IPI pipeline deal during the caretaker government's tenure and that the Economic Co-ordination Committee (ECC) of the Pakistani cabinet approved the draft of the GSPA.

He said that Asian Development Bank, Gas Authority of India Limited (GAIL) and Interstate Gas Company Limited could work in a JV to materialize the project, adding that Indian petroleum minister Murlidhar Deora during talks with Pakistani officials on pipeline transit fee issues had conveyed that GAIL was interested in the project.

The official said that ECC has authorized Interstate Gas Company Limited (IGCL) to sign the agreement with Iranian and Pakistani governments and convert IGCL into a corporation.

He pointed out that Asian Bank country director has informed Islamabad government of his bank's readiness to finance the project.

## Etisalat May Bid For Telecom License



The Iranian government is in talks with Etisalat on a bid for the country's third telecom license and the possible sale of a controlling stake in the state-owned Mobile Communications Company of Iran (Hamrah-e Avval), a company official said.

Iran will hold the auction in the second half of 2008, Middle East Economic Digest said, citing Jamal Al-Jarwan from Etisalat International Investments of the United Arab Emirates.

Etisalat would prefer a new phone license rather than a stake in the existing Iranian operator because "things are much easier to handle", MEED reported, citing Etisalat Chairman Mohammad Hassan Omran.

Emirates Telecommunications Corporation, also known as Etisalat, is the incumbent telecommunications carrier and Internet Service Provider in the United Arab Emirates. Founded in 1976, it was the sole telecommunications services provider in the UAE until the arrival of Du in February 2007.

Etisalat provides a wide range of fixed and wireless telecommunications services, as well as cable TV services. As of January 2008, Etisalat is thought to operate over 33 million subscribers in 15 countries, following a spending spree of 30 billion UAE dirham in international acquisitions and investments, largely due to the loss of its virtual monopoly in the United Arab Emirates.

The telecom's wireless services coverage is claimed to reach 97 percent of UAE's territory.

## Germany Tightens Truck Sale Rules



Germany has set stricter rules for selling trucks to Iran and Syria under the pretext that they may use such vehicles to launch missiles!

According to a ruling by Angela Merkel's government on Monday, Germany claimed that Iran and Syria might use the heavy trucks for launching short- and medium-range rockets.

The Merkel administration claims that "both countries use ordinary civilian vehicles for their mobile military rocket programs", Bloomberg reported.

German truck-makers like MAN AG and Daimler AG, which have sales offices in Iran, must now obtain permits to export 20,000 kilograms vehicles with three or more axles to Iran or Syria.

## Petrochemical Industry Thriving Despite Illegal Sanctions



Iran has signed joint venture agreements worth more than \$4.5 billion with Venezuelan, Indonesian, Indian and Omani firms for petrochemical projects to be implemented until 2010.

Illegal international sanctions on Iran are not hurting the bid to expand petrochemical production since investors are attracted by the Islamic Republic's vast reserves of cheap gas feedstock and security, observed a senior official.

"Our assessment is that sanctions have not had an impact on the petrochemical sector and the reason is that our huge gas reserves give us a special advantage in the region," said Gholamhossein Nejabat, deputy oil minister and the head of the state-owned National Petrochemical Company (NPC).

He said that the petrochemical industry was increasingly relying on gas rather than oil as its feedstock given that the price of the latter has soared to record levels.

"Therefore, world's growing demand for hydrocarbons and petrochemical products coupled with the desire of foreign companies not to be left out of the industry in Iran will be good for the time to come," he told

IRNA. Asked why Europeans were playing a minor role, Nejabat said that even when European firms earlier appeared to have an active role in the petrochemical industry, their role was mostly limited to selling technology or equipment, not acting as partners.

"Even in the past, European companies did not make huge investments that we can claim that their participation has now dwindled," he said, adding that European firms were still licensing technology to NPC.

The company is investing \$13.3 billion in 24 projects based on the targets of the Fourth Five-Year Economic Development Plan which runs to 2010, he said, adding that investment will grow to \$15.5 billion in 33 projects over the next five-year plan.

The industry is planning to raise its output from 24 million tons in the Iranian year March 2008-08, to some 35 million tons by March 2009.

Nejabat recalled that Iran has signed joint venture agreements worth more than \$4.5 billion with Venezuelan, Indonesian, Indian and Omani firms for petrochemical projects to be implemented until 2010.

Following US pressure on companies to stop business with Tehran, many western companies decided to do a balancing act. They tried to maintain their presence in the country without getting into big deals that could endanger their interests in the US.

However after they witnessed that their absence from major deals provided Chinese and Indian companies with excellent opportunities to sign an increasing number of energy deals and earn billions of dollars, many western firms have now lost their reluctance to invest or expand operations in Iran.

Analysts believe that participation of foreign companies from 30 countries in the recent International Petrochemical Confab in Tehran proved their opposition to US sanctions. Iranian officials also share this view.

## Joint Belarus Committee Convenes

Iran-Belarus Industry and Mines Committee co-chaired by Iran's minister of industries and mines and his Belarus counterpart opened its second meeting in Minsk, Belarus, on Tuesday.

At the meeting, Ali-Akbar Mehrabian also conveyed a message from President Mahmoud Ahmadinejad to Belarus President Aleksandr Lukashenko.

Mehrabian is visiting Belarus at the invitation of Belarusian Minister of Industry Anatoliy Ruteskiy.

Iranian and Belarus officials are discussing the implementation of agreements signed in the first Iran-Belarus Industry and Mines Committee held in Tehran, IRNA reported.

Iran Khodro's cooperation with Belarusian company Unison on producing 'Samand' cars is on the agenda of the meeting.

At the meeting, the two sides will seek to reach agreements on standards, sales of agricultural machinery, establishment of cement factory and thermal power plant in Belarus, export of medical equipment and cooperation on geology.

Iran's Industry and Mines Ministry has been expanding cooperation in the industrial sector with Egypt, Venezuela and Syria.

## Japan Can Keep Oilfield Share

Japan's Inpex Company can keep its 10 percent share in Iran's Azadegan oilfield, Oil Minister Gholamhossein Nozari said.

"Inpex Holding Incorporation has shown interest in continuing cooperation with Iran. Therefore, the company can maintain its share in Azadegan oilfield as we have no plans to change this share at present," the minister told PressTV Monday.

Media reports indicated that Inpex directors are in Tehran to discuss the issue of regaining their 10 percent share in the development of the oilfield with Iranian officials.

In 2004, the Japanese company agreed to invest in a two-billion-dollar project to develop the oilfield.

Iran cut its share from 75 to 10 percent in 2006 because the company bowed to US pressure and delayed in fulfilling its contract obligations.

Located 80 km west of Iran's southern city of Ahvaz, Azadegan has proven oil reserves of 33 billion barrels and the capacity is predicted to increase to 40 billion barrels.

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