



### Barcodes on Course

Public and private companies will use IranCode barcodes (Iranian National Products Classification and Codification System) on their products as of today, the head of Center for Codification of Goods and Services said.

Ahmad Gholamzadeh told IRNA that the initiative aims to regulate standard barcoding on products, adding that one main problem facing the Commerce Ministry has been and still is the absence of product information and effective communication between producers and consumers.

According to him, the new IranCode system will help remove these obstacles.

The Commerce Ministry lays great emphasis on the importance of using barcodes as it can provide detailed up-to-date information on key aspects of the business, enabling decisions to be made much more quickly and with more confidence and transparency.

Barcode systems routinely save companies money while improving quality, on-time performance and other key business factors.

Immediate access to inventory information on a real-time basis can be used to reduce inventory levels. This will reduce costs for a company in a number of ways, including interest, labor for handling excess inventory, and facility overhead.

In many cases, improved management due to automated data collection technology could be the best benefit of a bar code system. A bar code system can easily gather information that would be difficult or impossible to gather in other ways. This allows managers to make fully informed decisions that can affect the direction of a department or company.

Gholamzadeh said the new barcodes will help track down the products to their companies of origin.

Over 9,000 standard commodities produced by 530 companies will have barcodes in the first phase of the nationwide project.



### Tax Deal With Kuwait

A law to end double taxation between Iran and Kuwait has been passed and approved by the Iranian Parliament and the Guardian Council.

The law enforces an earlier agreement between the two countries, which was signed following a visit by Foreign Minister Manouchehr Mottaki to Kuwait in early 2008, ISNA wrote.

The law was passed by the Parliament on July 27 and the country's supervisory body, the Guardian Council, has given its green light.

Double taxation is the imposition of tax on the same income, asset or financial transaction, by two different countries.

For example, income paid by an individual in one country to a resident in another may be subject to double taxation.

The Iranian and Kuwaiti citizens working in both Iran and Kuwait will now pay taxes to either of the two states. The deal will eliminate double payments of tax on both sides.



### Railway Projects Near Completion

The Roads and Transportation Ministry, as a top priority, should establish effective communication channels with other ministries and organizations, particularly Majlis, said the new minister of roads and transportation during his first press conference in Tehran on Tuesday.

Majlis can support and facilitate finance for the ministry's development projects and plans, Hamid Behbahani said, adding that MPs are invited to visit the construction sites, reported ISNA.

He referred to the completion of the development projects as the ministry's second priority, adding that there are four major incomplete projects that should finish by March 2009.

According to Behbahani, the 500 km Isfahan-Shiraz and Bam-Zahedan railway projects will finish by March 2009.

The Arak-Malayer and Nezamieh-Miandash railway projects will finish on a later date.



### 7th Int'l Livestock Fair Comm in Up

The Seventh International Livestock and Poultry Industries Fair will kick off today in Tehran International Fairground, said the event's director Abolqasem Salar Rezaei.

About 240 domestic and foreign companies will take part in the event, to be inaugurated by the deputy agricultural Jihad minister, MPs from Majlis Agriculture Commission, and experts in livestock and poultry fields, Fars News Agency wrote.

According to Salar Rezaei, companies from China, Turkey, Spain, Italy, Germany, Netherlands, Australia, Egypt, Britain, Denmark, Malaysia, the USA, South Korea, Belgium and Brazil are participating in the four-day exhibition.

The exhibit aims to showcase the latest domestic achievements in livestock and poultry sectors.



# Sanctions Toothless For Iran-Germany Biz Ties

> Compiled By Ghanbar Naderi

Many German politicians believe that imposing economic sanctions against Tehran has been ineffective in German companies' extensive trade ties with Iran.

Instead of taking punitive measures against companies that have legal biz ties with Iran, negotiations should focus on availing ourselves of the current economic ties as business keeps dialogue open, EU Parliamentarian Daniel Caspary, a member of Merkel's Christian Democratic Union, told Deutsche Welle.

"I think we need to use our good economic relationships to stay in contact with the people, business people and politicians in Iran and to talk about the situation," he said.

"I am of the opinion that countries like the US or France are pushing Germany to limit its economic ties. We should not accept that."

Germany, in fact, does more business with Iran than any other European country, with annual German-Iranian trade volume estimated to be about 5 billion euros (\$7.1 billion).

At least 1,700 German companies are active in Iran, including household names like Siemens and BASF which have been in the country for decades. Some 75 percent of all small and mid-size companies in Iran are outfitted with German technology.

#### > Open Doors

Mechtild Rothe, vice president of the European Parliament, said that relations with Iran have not reached a point where economic interests should need to suffer.

"I think it is important that the European Union keep up relations with majority of countries in the world, including Iran," she said. "I think it would be much better to negotiate--to speak with each other."

Closing the doors of business would also close other paths of communication, said Erika Mann, a Social Democratic member of European Parliament.

"Economic ties are responsible for the livelihood of so many people," she said. "So many jobs are dependent on solid economic ties and so much dialog and cooperation develop among people."



Germany is Iran's most important trade partner in the West.

#### > Trade Growing

In the first four months of this year, German exports to Iran increased by around 18 percent compared to the same period last year.

If this trend continues, German exports to Iran could match the record of 2005-2006, when German companies sold Iran goods worth of more than 4 billion euros.

Germany, Iran's biggest trade partner in the European Union, is under American and Israeli pressure to reduce its economic ties with Iran over its nuclear power program.

But the German government figures show that after the 2007 decline, trade between the two countries is growing again. In the first four months of 2008, Germany exported to Iran 1.35 billion euros worth of merchandise, consisting of increasing amounts of chemical and

iron products, cars, engines and engineering equipments.

Some 1,700 German companies are operating in Iran, including giants such as Siemens and chemical group BASF.

German economists have told the Zionist daily 'Haaretz' this week that German politicians should not have cited the trade decline of 2007 to prove that Germany was breaching the sanctions' requirements, just as this year's trade growth cannot be cited to show that Germany is doing nothing to pressure Tehran. They added, "It's just business as usual."

#### > Record Year

For the last three weeks the German government has been inundated with criticism for doing business with Iran, approving as "no cause for concern" the delivery to Iran of three gas lique-

faction units manufactured by Steiner-Premaetechnik-Gastec (SPG), based in Siegen.

Hartmut Schauerte, a member of Chancellor Angela Merkel's government and MP for her Christian Democratic Union, played a vital role in pushing through the 100 million euro deal.

The deal with SPG has made it clear that Berlin is not caving in to the US pressures and that the unjustified US-led sanctions and export restrictions have proved completely insufficient.

In sum, Germany is Iran's most important trade partner in the West. In fact, 2008 could be a record year. Export volume grew by 13.6 percent in the first quarter; 1,926 business deals with Iran were reported to the authorities in charge by the end of July, 63 percent more than in 2007.

## Export Incentives Up for Grabs

The Trade Promotion Organization of Iran (TPOI) will cover 10 percent of the costs for companies attending international fairs, working in maritime transportation, establishing trade centers, purchasing containers and setting up export clusters, ending March 19, 2009.

According to IRINN, the deputy minister of commerce said the incentives are up for grabs on the condition that the technical/engineering services companies are private.

Mehdi Ghazanfari, who is also the head of Trade Promotion Organization of Iran, added that TPOI offers companies 10-15 percent financial facilities for establishing trade centers abroad, 80-100 percent for attending international fairs in Iraq and 30-50 percent for similar activities in other countries.

The official said the organization also offers



transportation facilities to the Caspian Sea, the Persian Gulf and the Gulf of Oman.

Meanwhile, the chairman of Iran Customs Administrations said imports in the first four months

of current Iranian year (started March 20) saw a 16.73 percent drop in terms of weight compared to the figure of the same period last year.

IRNA quoted Ardeshtir Mohammadi as saying that Iran imported 12.353 million tons of products worth \$18 million during the period. With 7.41 percent in value and 11.96 percent in weight, gasoline ranked first.

The official noted that the imported products came from the United Arab Emirates, Germany, China, Korea and Switzerland.

At the same time, the country exported 13.383 million tons of products worthy of \$8.312 million, up 1.40 and 27.14 percent in value and weight respectively. Trade balance, excluding crude oil exports, experienced a \$12.261 million deficit during the period.

## Reliance on Oil Revenues Risky

Since the discovery of oil in Masjed Soleiman, the dependence of Iran's economy on oil sales has not decreased. On the contrary, it has increased on a daily basis and this process has gathered pace.

According to Persian daily Etamad Melli, during recent days, oil price dropped from \$140 to \$113 in less than a week. This drop happened while three important events which traditionally were considered reasons behind the increase of oil prices occurred in the world. These events included the Beijing Olympic Games, the start of the summer and an increase in global oil consumption, and the



most important of all the regional war between Georgia and Russia in the Caucasus.

In March 2006, the oil price was \$68. In the years 1998-99, this figure stood at eight dollars. The interesting point is that this summer oil prices reached the legendary figure of \$140. Iranian experts have said that oil prices will probably drop and it's not as if they will always remain over \$100.

Experts say oil is not a loyal company and the country should not drop to the bottom of the well by solely using oil as a rope.