

# TCI Privatization Elaborated

By Sadeq Dehqan

Etamad-e Mobin Consortium, which has purchased a major stake of Telecommunications Company of Iran (TCI), believes this privatization would increase the productivity and improve the quality of telecommunication services, said a member of the consortium.

Mohammad Reza Modarres-Khiabani, who is also managing director of Shahriar Mahestan Company, added that the privatization has paved the way for removing legal restrictions facing state companies.

He said based on Article 44 of Iran's Constitution, close to 50 percent plus one share of TCI should have been transferred to the private sector. In addition, the government has ceded 20 percent of TCI stocks as Justice Shares.

The official noted that from the purchased TCI shares, Tose'e Etamad Investments possesses 46 percent, Shahriar Mahestan owns 8 percent and the rest (46 percent) belongs to Mobin Electronics Development Company.

"Mobin Electronics Development Company is a private joint stock company, while the other two are public joint stock companies," he added.

Modarres-Khiabani said since TCI's 78-trillion-rial (\$7.8 billion) transaction is a huge deal, the consortium welcomes the investment of domestic and foreign investors.

The company wants to make infrastructural and management changes, enter into the telecommunication ventures of regional and neighboring nations, export engineering services and manage other operators.

It also wants to make optimum use of financial and technical resources to promote TCI's status in the Middle East, Central Asia and North Africa.

Other programs of the company are to support small shareholders, increase revenues and annual profit, employ skilled and experienced managers, allocate a portion of TCI revenues to research and development, and train staff.



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He stated that the consortium has held negotiations with National Investment Company, Ghadir, Bahman group, Mehr-e Eqtasad-e Iranian Investment Company and Bank Mellat to supply the required funds.

It has also held talks with giant holdings and specialized telecommunication firms such as Pishgaman-e Kavir-e Yazd.

In addition, the consortium has held talks with foreign firms and international operators in neighboring countries.

According to the official, given the short deadline for supplying the money

involved in the TCI deal, shares subscription will not be made soon.

A 50-percent block plus a single share of the Telecommunication Company of Iran worth over 78 trillion rials (approximately \$7.8 billion) was offered on the stock market late September as the biggest-ever transaction of Iran.

Etamad-e Mobin won the tender, the managing director of the Securities and Exchange Organization of Iran said.

Hassan Qalibaf-Asl added that the winner should pay the price of 20 percent of the shares (\$1.5 billion) within

30 days to make the deal effective, Mehr News Agency reported.

According to the Fourth Five-Year Economic Development Plan (2005-10), Privatization Organization of Iran affiliated to the Ministry of Economic Affairs and Finance is in charge of setting prices and ceding shares to the general public on the stock market.

In 2007, Supreme Leader Ayatollah Seyyed Ali Khamenei urged government officials to speed up the implementation of the policies outlined in the amendment of Article 44 and move toward privatization.

## Swiss Keen on Iranian Projects

Iran and Switzerland announced their readiness to boost economic ties.

At a meeting in Turkey, the economic ministers of Iran and Switzerland discussed ways of expanding economic interactions, Moj News Agency wrote.

Minister Shamseddin Hosseini referred to Iran's remarkable investment opportunities, adding that based on the Iranian Constitution's Article 44, foreign companies could cooperate in privatization projects.



"Swiss companies could take advantage of this unique opportunity," he said.

Hosseini, who arrived in Turkey on Sunday to attend the joint summit of World Bank and IMF as well as the Seminar on Iran Investment Opportunities, said the Islamic Republic enjoys unique economic opportunities in the Middle East, which have not been exploited properly.

Daniel Gerber announced the readiness of Swiss companies to take part in Iran's privatization projects.

## Singapore Trade Near \$3b

Singapore's Economy Day was celebrated in Tehran on Sunday by Iran's Chamber of Commerce and Singapore Trade Federation, as trade between Iran and Singapore nears \$3 billion.

Managing director of Iran Chamber of Commerce's Bilateral Ties Office, Hassan Najafi Larijani, called for opening centers in the two countries to facilitate visa issuance for businessmen, Moj News Agency reported.

He said Iran and Singapore could expand commercial ties in IT, petrochemical, construction, oil and gas sectors.

"Iran and Singapore could remove barriers to



opening credit-lines for the two sides' merchants and investors," he said, adding that such measures could result in expansion of bilateral interactions.

Vincent Leem Hui Eng, the head of Singaporean delegation, said Iran is Singapore's 34th trade partner, noting that Iran's exports to Singapore reached \$2 billion in 2008.

Pointing out that trade between Iran and Singapore has neared \$3 billion, he said there are remarkable potentials to boost the figure in the near future.

He also called for expansion of ties in heavy industries, including auto-manufacturing, wood and hotel sectors.

## New Refineries Planned

Oil Ministry will build seven refineries with the assistance of private sector.

According to In.ir, Deputy Oil Minister Nouredin Shahnazadeh put the cost of construction of the proposed refineries at \$45.5 billion, adding that the government will contribute 20 percent of the project cost.

He elaborated about the gas condensate refinery, namely Setareh Khalij-e Fars (Persian Gulf Star), which is one of the proposed refineries.

Once this refinery becomes operational by March 2012, it will produce 36 million liters of gasoline, 14 million liters of gasoil,

3 million liters of liquefied gas and 3 million liters of kerosene.

The deputy oil minister said close to 70 percent of the costs should be supplied through finance and the rest from public and private shareholders. He put the value of shares at \$13.6 billion, of which the government's share would be \$2.7 billion (20 percent).

"If a foreign investor were to contribute to the project, the government can have a lesser share (10 percent)," he said.

Shahnazadeh also said the Oil Ministry is seeking new ways of attracting the capital such as the sale of participation bonds.

## World Gas Confab Underway

The 24th World Gas Conference opened in Buenos Aires, Argentina, on Oct. 5 with the participation of 3,000 experts and researchers from 83 nations.

The article "Gas Industry and Social Issues", written by Mohammad Rezaei, an Iranian engineer working in Mazandaran Gas Company, has been selected as the best entry, IRIB reported.

As one of the most important countries in terms of gas reserves, Iran has actively participated in the one-week event. Iran ranks second after Russia in terms of submitting 70 scientific

articles to the conference.

National Iranian Gas Company's Research and Technology Director Saeed Pakseresh said Iran has a significant status in the natural gas industry.

"The country has taken part in the summit with a delegation comprising managers of National Iranian Gas Company, lecturers of scientific essays and those involved in gas industry," he said.

The gas conference is held every three years and was hosted by a Latin American country for the first time.

## International News

### Oil Above \$71

Oil prices above \$71 a barrel on Tuesday in Asia as a jump in global stock markets boosted investor confidence.

Benchmark crude for November delivery was up 71 cents at \$71.12 by late afternoon Singapore time in electronic trading on the New York Mercantile Exchange, AP reported.

The contract gained 46 cents to settle at \$70.41 on Monday. Oil has loitered near the \$70 a barrel level for months, as traders struggle to gauge how strongly the US economy will recover.

Last week, poor jobs and manufacturing data undermined optimism, but on Monday the Institute for Supply Management said its service index showed that sector grew in September for the first time since August of last year.

Crude traders often look to stock markets for a sense of overall investor confidence. The Dow Jones industrial average rose 1.2 percent on Monday, and most Asian indexes gained in early trading on Tuesday.

A weakening dollar also helped oil prices. The euro rose to \$1.471 on Tuesday from \$1.464 the previous day, and the dollar slipped to 89.22 yen from 89.53.



### PGCC Keeping Dollar

Persian Gulf Arab oil exporters will stay with the dollar as the currency for trading crude, a source in the UAE Central Bank said on Tuesday.

"They are going to stay with the dollar," the source told Reuters, asking not to be named. "For so long oil pricing is in dollars, it would be difficult for producing countries to change."

According to AP, Saudi Central Bank Governor Muhammad Al-Jasser said Saudi Arabia hasn't held talks with other oil producers and major consuming nations such as China on moving away from the dollar as the currency used to buy and sell oil.

Al-Jasser, speaking to reporters in Istanbul where he was attending an International Monetary Fund summit, was denying a report in the London-based Independent newspaper, which said Persian Gulf oil producers and customers, including China and Brazil, had held secret talks on phasing out the dollar in oil pricing.



### Brazil Turns Lender to IMF

Brazil turned lender to the International Monetary Fund (IMF) for the first time, sealing a \$10-billion purchase of IMF bonds that reflects the emerging nation's rising world clout.

"We have gone from being debtors to creditors," Brazilian Finance Minister Guido Mantega told reporters in Turkey's biggest city, Istanbul, in remarks spotlighting the shift in the global financial landscape, AFP reported.

He said that Brazil would spend \$10 billion (6.8 billion euros) on buying IMF bonds to boost the fund's resources.

"This is a historic moment for us. It is the first time in history that Brazil is lending resources to the IMF and therefore to the international community," he said on the eve of IMF and World Bank annual meetings that opened on Tuesday in Istanbul.



### Norway: Iraq Suspension Lifted

Norwegian oil firm DNO announced on Tuesday that the suspension of its operations in the Kurdish area of Iraq two weeks ago in a row over stock trading had been lifted.

The Kurdish regional government's suspension of the company turned on information revealed by the Oslo stock market authority alleging implication of a Kurdish minister in a controversial stock transfer, AFP reported.

But the minister rejected the role attributed to him and the company said it was preparing legal action against the stock market authority for what it said about the matter.

DNO was among the first foreign firms authorized to operate in Iraq following the fall of Saddam Hussein.



### Mongolia to Seal \$4b Mine Deal

Mongolia was set to sign a long-awaited \$4-billion deal with Canada's Ivanhoe Mines and Anglo-Australian miner Rio Tinto on Tuesday to develop one of the world's richest copper deposits.

The deal to exploit the Oyu Tolgoi mine—more than six years in the making—marks one of the biggest investments in Mongolia since the former Soviet satellite state turned to capitalism two decades ago.

Spokesmen for the Mongolian government, Ivanhoe and Rio confirmed to AFP the deal was expected to be signed on Tuesday in the nation's capital Ulan Bator.

The mine in the south Gobi Desert will employ as many as 3,000 workers, with thousands more finding jobs along the supply chain, providing a significant boost to the economy of the resource-rich country, one of the poorest in Asia.

