

Short Economic News

Iran, Italy review mutual, regional developments



The visiting political advisor to Italy's prime minister conferred with Foreign Minister Manouchehr Mottaki on issues of mutual interests.

According to the Information and Press Bureau of Ministry of Foreign Affairs, at the meeting,

Mottaki described the initiative of the Italian government particularly its prime minister in dealing with developments in the Middle East region as very significant.

Highlighting the current «good and constructive» relations between Iran and Italy, Mottaki said the visit of the Italian envoy to Iran indicates the firm determination of the country for playing a positive role in the region.

The Islamic Republic of Iran always tries to find a way out of regional crises, he said, adding that Iran is ready to help implement the initiatives of the Italian government.

The Italian envoy, for his part,

referred to existing commonalities between the two countries and their potentials and called for expansion of ties between the two countries.

Elaborating on the policies of the Italian government to play a positive role in the region, he underlined the significant role of Iran in regional developments.

By taking advantage of Iran's influence in the region, Italy can materialize its initiatives concerning the ongoing developments in the Middle East region, he said.

The two sides also reviewed mutual and regional developments such as Afghanistan, Iraq and Lebanon.

Iranian minister arrives in Spain

Culture and Islamic Guidance Minister Mohammad Hossein Saffar-Harandi arrived in Madrid to attend the 10th annual meeting of Culture ministers and cultural policy-makers of member states of International

Network of Cultural Policy (INCP).

The 2-day meeting kicks off on Thursday, September 20, and representatives from 69 countries and international bodies at-

tend the meeting.

INCP was founded in 1998 and its first meeting was held in Ottawa, Canada.

Spain is currently the president of the INCP.

Iran to Privatize 3 Drilling Companies

Talking to MNA, Ali Kardor added that the National Iranian Drilling Company (NIDC), North Drilling Company (NDC), and Pira Haffari Company are the privatization-bound affiliates, Tehran Times reported.

Since the NIDC holds 95 percent of drilling market, a number of its drilling rigs will be offered to other companies, he said.

Of the NIDC's 40 derricks, 10 will be given to the NDC, he said, adding the move aims to rid the NIDC of monopolistic strategy.

Another 10 will go for Pira Haffari Company in a bid to give the three companies an equal chance in the Tehran Stock Exchange (TSE).

Kardor said that the NDC will

be privatized by Dec. 21, adding the privatization of the other two companies will take place next Iranian year (to start March 20, 2008).

The companies' shares will be presented at various values, he added.

The companies are privatized in line with enforcement of Article 44 of the Constitution.

BMI enters Iranian market

BMI the second largest airline operating at London's Heathrow airport has announced its takeover of Heathrow-based BA franchise airline British Mediterranean (BMED). BMI's already impressive flight network will include 17 new destinations throughout Africa, the Middle East Central Asia as from October 28th 2007.

With this purchase, BMI is now the sole British carrier operating flights between Iran and the U.K. The airline currently operates around 170 flights a day to and from its main Heathrow hub. BMI is also a member of Star Alliance, the world's biggest airline alliance providing passengers with global connections and a smooth travel experience.

British Midland plc, the U.K.-based group company of BMI, has subscribed to approximately 30 million of new shares in

BMED. BMED, which was established as a limited company in 1994 and operated as an independent franchise of British Airways from 1997, currently has a fleet of three Airbus A320 and five Airbus A321 Aircraft.

Speaking about takeover, chief executive officer of the BMI group Nigel Turner said: British BMED into the BMI group creates a business with a turnover in excess of 1 billion with substantial growth opportunities. The acquisition enables the BMI group to accelerate its a strategy of expansion into medium-haul markets because BMED operates to 17 destinations in 16 countries and has no overlap with any current BMI rout. BMED has a first class workforce and we welcome them into the BMI group.

BMI sales manager for Iran "Mr. Majid Sohi" sees the new arrangement as highly positive

for local and regional operations: This market is major development in air travel in Iran. We are very proud to be work-



ing with BMI which has an exceptional reputation throughout the industry and we anticipate many positive developments in the future, both in the short and long term.

Synergies between BMI and BMED include BMED's Heathrow base and the fact that it operates IAE engined Airbus A320 and 321 aircraft in a two class configurations. Tickets for travel on the extended BMI network will go on sale from September 4th 2007.

OECD study gives bad grades to German education system

A new comparative study released by the Organization for Economic Cooperation and Development (OECD) said while Germany has made minor progress in revamping and improving its educational system, the country has actually dropped from the 10th to the 22nd place in the international rankings.



Presenting the seventh OECD report at a news conference, OECD Secretary General Angel Gurría pointed out that the number of university students

grew in Germany by only five percent over the 10 years, compared to an average of 41 percent in 29 of the most important industrial countries.

He also stressed the high dropout rate of 35 percent at Germany's universities.

«That means that one-third of those (students) who begin never finish,» Gurría said.

He added that Germany was among a handful of countries where «social background has the strongest impact on university

participation as only 16 percent of German university students have a father with a blue-collar job».

Gurría linked the challenge of university access to the overall structure of the school system which routes children as young as 10 years to different tracks, with those from disadvantaged families ending to be directed to

tracks with lower performance expectations.

«This is also mirrored in the poor school performance of students with an immigrant background. This has a high cost,» the OECD official added.

Only 21 percent of 15-year-old can even imagine to go to university, down from an average of 57 percent in other OECD countries.

The relatively low number of high school graduates and academicians will lead to a further shortage of engineers and teachers, according to the OECD.

Germany has yet to recover from the disastrous findings of the OECD-authored PISA educational study in 2003 which handed down a damning report on Germany's school system.

It referred to «grave erroneous trends» as a result of years of a wrong education policy.

Iran and Egypt are to hold talks on promotion of bilateral relations

«There has been an agreement to continue dialogue between both sides in particular over bilateral relations at the level of senior officials and then foreign ministers,» Egyptian Foreign Ministry spokesman Hossam Zaki said in a statement.

Egypt announced its will for re-establishment of bilateral ties,

severed since 1980, in pursuit of talks in Cairo between Deputy Foreign Minister Abbas Araghchi and Hussin Dirar, Egypt's assistant foreign minister for Asian affairs.

In May, Iranian President Mahmoud Ahmadinejad said Tehran was ready to restore full

diplomatic relations with Egypt and to open its embassy in Cairo the very day the Egyptian government agreed.

Iran and Egypt currently only have interests sections in their respective countries after Iran cut ties in 1980 following the Islamic Revolution in protest at Cairo's recognition of Israel

Britain Lends Support to Turkey on Iran Gas Deal

The British minister's remarks came in a brief interview with the Anatolia news agency in Istanbul following his talks with Turkish officials in Ankara.

Following his visit to Turkey, he will travel to the Caspian region in order to continue lobbying for a gas pipeline that would supply Europe directly with gas, bypassing Russia.

«We must admit that Russia is an extremely important resource, taking into consideration the energy needs of the European Union. There is a saying in English - don't put all your eggs in one basket - and this is valid for every country and the EU. That's what we've been trying to do,» Wicks was quoted as saying by Anatolia, in an apparent reference to a 4.6 billion euro Nabucco gas pipeline project launched to deliver gas from the Caspian Sea to Vienna's Baumgarten distribution station via Bulgaria, Romania and Hungary, intended to reduce Europe's dependence on Russian gas.

The five signatory companies to the pipeline project - Austria's OMV, Hungary's MOL, Romania's Transgaz, Bulgar-

ia's Bulgargaz and the Turkish state-owned Turkish Pipeline



Company (BOTA?) - have been looking for a sixth partner. In June Russia's Gazprom announced it was building a natural gas pipeline with Italy's Eni under the Black Sea to Bulgaria, from which point it would continue on to Italy in a project that would compete directly with Nabucco.

«What every country basically needs to do is increase its energy resources and diversify routes for these resources. ... Russia is not the only player in this market, so I believe that the Nabucco project is still important,» Wicks said. «In the region, no country dependent solely on one partner can be imagined, either commercially or politically,» he added.

Late in July Turkey signed a deal to use Iran as a transit route for Turkmen gas and agreed to develop Iran's South Pars gas field to facilitate the transport of gas to Europe. Washington has voiced its opposition to the Memorandum of Understanding (MoU) between Turkey and Iran, with US Ambassador to Turkey Ross Wilson stating an expectation that Ankara would take US concerns into consideration as it moved ahead on the deal, which remains at the MoU level.

Touching on the current environment in the region and the richness of Iraq and Iran in terms of energy resources, Wicks said he hoped the conflict in Iraq subsides as soon as possible. «We want Iraq to return to us as an extremely important energy resource. Needless to say we are ready to lend support to efforts by every country and company that will contribute to [making this a reality]. I appreciate Turkey's agreement with Iran. I can understand its reasons,» Wicks said, in an apparent reference to the deal that has sparked reaction from Turkey's NATO ally, the United States.

Iran-Belarus ink oilfield development project agreement

The Juffair oilfield development project agreement was signed between Iran and Belarus. This agreement was signed in the

presence of the acting minister of oil, Gholam Hussein Nozari. This agreement has been signed within the framework of the govern-

ment's plan to boost exploitation of oil resources. Juffair oilfield is located 80 km southwest of Ahvaz in Khuzestan province.

Iran heads the OPEC supervisory committee meeting

Iran's oil ministry caretaker, Gholam Hussein Nozari is to head the oil ministers supervisory committee meeting of the Organization of Petroleum Exporting Countries (OPEC) in Vienna.

The official oil ministers committee meeting is also to be held on September 11 to analyze the market's data and make proposals on oil production policies in the OPEC.

This meeting will be held

while most of the OPEC oil



ministers had emphasized on the necessity of keeping the current

production quotas in the OPEC.

Gholam Hussein Nozari noted that the cartel saw no strong reason to increase the current output quota of 25.8 million barrels a day.

He has also reminded that the economic growth rate, the condition of the oil market in major oil consuming countries, and these countries' crude oil resources would affect committee's proposal.

Persian Poetry in England and America reviewed at Book City

Tayammomdari opened the session by pointing out that scholars in European countries realized long ago that comparative literary studies opened large windows through which they could peruse the history and culture of other nations and it was by this means that they increased their knowledge of Persian literature.

"Persian Poetry in England and America" consists of 20 separate articles in which the author has reviewed the ideologies, beliefs and aesthetic aspects of Iranian literary works, he added.

He went on to mention that Yohannan has referred in his book

to each Persian poet's works as representing the essence of a particular philosophical school in England. For example, he considers the poetry of Hafez to be the epitome of the Romantic School and Saadi's works to embody the School of Rationalism.

"I didn't realize that Persian literature had affected English and American literary works to such an extent until I read this book," he added.

Ali Abdollahi made a speech next, remarking that the relationship between Persian and German literature dates back 500 years. He cited Adam Olearius, secretary to the German ambas-

sador to Iran in the Safavid era, who wrote a travelogue about the country.

Abdollahi continued by saying that Goethe had been inspired by the poetry of Hafez and Friedrich Ruckert had translated the Shahnameh and the Holy Quran into German. He went on to mention that Heinrich Heine and Nietzsche had also been much influenced by Persian culture and poetry.

He concluded by saying that many Persian poems by contemporary poets including Ahmad Shamlu, Forugh Farrokhzad and Sohrab Sepehri, have been translated into German.

Iran to Invest \$10b in Syria by 2012

Iran will make \$10 billion investments in Syria within the next five years, the acting industries and mines minister announced in here.

In his return from Syria, Ali-Akbar Mehrabian expounded the results of his trip, saying Iran-Syria relations are strategic, Tehran Times reported.

He added that the sides are currently cooperating in 16 projects valued at some \$1 billion, predicting that the figure will reach \$10 billion by 2012.

The official said that six working groups were formed in cement, glass, rubber, auto, food, and other industries.

Referring to the financing of joint ventures, the caretaker added that a joint investment fund with a \$200 million capital

was established.

Pointing to two Iranian car-making projects in Syria, Mehrabian added that the first phase of Iran Khodro Company (IKCO) will be put into operation in the near future and SAIPA factory's



Pride sedan production will go on stream after the holy month of Ramadan with a production capacity of 10,000 cars.

He predicted the figure will hit 40 thousand sedans, noting that an auto-making project in an Arab country like Syria will

facilitate the sedan's export to other Arab states.

Alluding to the establishment of an Iranian auto parts manufacturer's industrial park in Syria, he declared that the glass manufacturing plant will become operational on Oct. 12.

Mehrabian said that the parties reached an agreement on construction of a bus and truck manufacturing plant in Syria, announcing three contracts were signed by parts producers.

During his visit to Syria, Mehrabian submitted Iranian President Mahmoud Ahmadinejad's written message to Bashar Assad, the Syrian president.

In the meeting, the sides appraised the industrial projects, he said.

Iran after replacing its European trade partners



China has overtaken Germany as Iran's largest trading partner. Iran-China trading has reached 15 billion dollars in the past year and that is three times more than Iran-Germany trading volume.

For years Germany was Iran's largest trading partner but cur-

rently Iranian companies tend to drag their economic relations from European countries such as Germany to others.

Recently, Iran has been even revising its European economic policy through replacing Germany, France and England which up

to now were its main suppliers of industrial imports with Spain, Italy and north European countries. Tehran is after flourishing its economic partnership through the establishment of trading centers in Africa and Middle East but European and American courtiers are not in its list. In this regard Iran's foreign minister economic deputy, Ali Reza Sheykh Attar noted that Iranian companies would reduce their trade with the countries which make political problems for Iran and would be after countries with goodwill and better relations.

Iran Privatizes 12 Petrochemical Companies



In line with enforcement of Article 44 of the Constitution, nine other companies will be offered in Tehran Stock Exchange (TSE) by the end of current year, Tehran Times said.

The petrochemical companies of Khorassan, Shiraz, Tabriz, Bisotun in Kermanshah, Fana-varan, Shahid Tondguyan, Amir-Kabir, Razi in Mahshahr, and Ghadir in Assaluyeh con-

stitute the privatization-bound companies of this year.

The NPC plans to privatize over 60 companies, whose list was sent to the Petroleum Ministry's Headquarters for Enforcement of Paragraph C of Article 44.

The company finds the privatization obligatory and has started ceding its units to the private sector since 1989, he added

Iran exports to Afghanistan worth \$600 million

Iran exports more than 600 million dollars to Afghanistan annually. This is while Afghanistan exports to Iran are worth 3 million dollars. Iran's deputy ambassador to Kabul, Moham-

mad Reza Nafar regarding the existing inequality of trade figures between the two sides said that this imbalance was ordinary and due to lack of infrastructures in that country. He also

announced that Iran was to hold an exhibition for Iranian and Afghan productions to help boost mutual ties between the two countries' investors.

Chamber News

IBCCIM News

Holding the IBCCIM 's BOARD Meeting

The chamber's monthly meeting for months Tir, Mordad and Shahrivar was held regularly on the first Sunday of each month, attended by the main and alternative members in the presidential 's office.

In these meetings, which the third one, was identical to the 65th chamber board meeting the following matters were dis-

cussed:

Exchanging economic news specially connected to the two countries Iran and Britain, hearing previous chambers' monthly report, also the chamber's current affairs specially in regard to the current year's plans, in general dispatching and receiving the business and investment missions, setting up the direct

relationship with the other joint chambers among them, Irano-Afghanistan, and Irano-Iraq chambers in order to make negotiations and exchanging views in regard to work possibilities in those countries by the help of the British companies which intend to do joint business.

Holding the IT and Education Committees

According to IBCCIM's secretariat report, the Education, information and IT specialized committees, which were to be combined in one committee, finally have been merged together by the decision made in the meeting consisting of all members of both committees.

In the first meeting which

was held by the presence of all members the board were elected as following:

Dr. Amir Houshang Amini, the vice president and secretary general of the chamber as the president, Mr. Manouchehr Hamoon as the vice president, and Mrs. Lili Marzabadi as the committees' Secretary.

In the second committee which was held later, according to the agenda the economic news and the affairs in regard to the committee's plans for the current year were discussed in details and it was assigned to arrange for dispatching an active IT mission to London and also to provide a one-half day seminar in this respect.

BICC News

Annual Meeting of BICC

According to the BICC's secretariat report in London, the annual meeting of BICC's members was held on Friday 21st September 2007 (Shahrivar 30. 1386) in the BICC's office.

The meeting began its work

with the annual report of last year and with the presence of the majority of British and Iranian members. First, Lord Lamont, the BICC's Chairman, gave his speech and then, Jeffrey Adams, HBM ambassador in Tehran

gave his speech and answered the audience questions.

The meeting was finished some hours after lunch and face to face negotiation with audience.

Holding the annual celebration of BICC

According to the BICC's secretariat report in London, the chamber's annual celebration will be held by invitation of Lord Lamont, the BICC's chairman, at the House of Lords on Monday

22nd October 2007 (Mehr 30. 1386).

It is said that more than 120 guests, together with chamber's members, Iranian businessmen and investors residing in Britain, a number

of House of Lords deputies and journalists will take part in this celebration. Also the Iranian ambassador in Britain will attend in the ceremony as last years.