

## Short Economic News

### Iran to Halt Fuel Oil Exports in First Quarter

The National Iranian Oil Company (NIOC), which typically exports around three to four fuel oil cargoes monthly between January and March, will offer spot cargoes only if domestic requirements ease.

«We cannot offer spot cargoes because we have to manage our requirements for power generation in Iran during the winter,» a source familiar with the fuel oil export program said.

«We will continue to meet our agreements on our term contracts, and will only consider spot sales if the winter is not severe and the requirement for domestic power generation is less.»

The premium for the 280-centistoke (cst) cargoes from Iran are forecast to jump by as much as \$4 a ton to \$20 a ton, on a cost-and-freight South China basis, up from current levels of about \$16 a ton, traders said.

Last winter, Iran was forced to cut back their fuel oil exports as the country suffered one of its worst winters, amid disruptions to its natural gas supply, forcing it to burn the residual fuel at power plants throughout the country.

Stockpiles from the Middle

East will also decline. Saudi Aramco, the world's top oil exporter, plans to halt exports of term fuel oil in the first quarter of 2009 as it retains supply to meet growing requirements from domestic utilities, traders said.

Both Iran and Saudi Arabia have recently joined Kuwait in burning growing volumes of fuel oil for power generation and water desalination as domestic gas supplies tighten, consulting firm PFC Energy said.

Fuel oil from Iran is typically purchased as a refinery feedstock in China, while in the Middle East it is bought for its low-density specifications and used as a blending component.

Fuel oil imports into China rose 1.17 million tons in November, up from 875,000 tons in October.

Small and mid-sized refineries in China were operating at around 22 percent of capacity in early December, up from 12-15 percent in late November.

These independent refineries, also known as teapots, account for a fifth of the country's total refining capacity, and process straight-run fuel oil into industrial grade diesel and low-octane

gasoline.

Reflecting the pick-up in Chinese demand and cut in exports from Iran and Saudi Arabia, the prompt January 180-centistoke (cst) crack, or the fuel oil discount to Middle East Dubai benchmark crude, strengthened early last week to an intraday high of minus \$4.53 a barrel - its highest since Oct. 10 when it traded at minus \$4.04 a barrel.

The crack was trading at minus \$6.50 a barrel. This compares with the year-low of minus \$30.00 a barrel reached on June 10.

The intermonth spread for Asia fuel oil swaps also flipped into backwardation last Friday, after two months of contango, trading at \$1.50 a ton, compared with minus \$1.50 per ton a week ago.

«The market continues to be well-supported, at least in the medium term, because of the loss of supply from the key exporters in the Middle East,» an Asian-based fuel oil trader said.

«And with outright prices pulling the Chinese back into the market, of course the market overall is going to be well supported.»

## US Co. Plans to Invest in Iran's Energy Sector

TEHRAN (FNA)- Codepink Women for Peace has announced plans to launch a new company that will invest in an Iranian wind energy company, allowing Americans to show support for peace and sustainability in Iran.

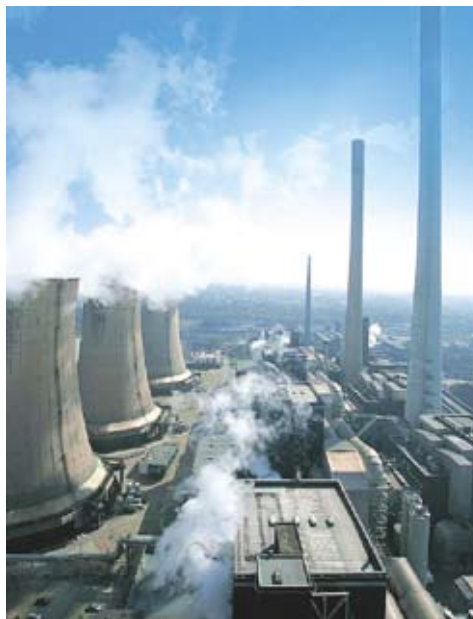
The company, called Winds of Change, will sell shares for \$5 each. The shares will give investors an opportunity to support the Saba Niroo Wind Company, based in Tehran, and the campaign to end sanctions.

Saba Niroo designs, develops and manufactures medium and large wind turbines, with a commitment to furthering the development of pollution-free energy to improve the health of our environment.

The US Government has not only opposed Iran's nuclear program, but it has also stymied Iran's attempt to develop other energy alternatives. Recent US pressure on the Danish wind company Vestas has stopped Vestas from providing Saba Niroo with critical parts, halting production.

Washington and its Western allies accuse Iran of trying to develop nuclear weapons under the cover of a civilian nuclear program, while they have never presented any corroborative evidence to substantiate their allegations. Iran denies the charges and insists that its nuclear program is for peaceful purposes only.

Tehran stresses that the country has always pursued a civilian path to provide power to the growing number of Iranian population, whose fossil fuel would eventually run dry.



Iran is under three rounds of UN Security Council sanctions for turning down West's calls to give up its right of uranium enrichment, saying the demand is politically tainted and illogical.

Iran has so far ruled out halting or limiting its nuclear work in exchange for trade and other incentives, saying that renouncing its rights under the NPT would encourage world

powers to put further pressure on the country and would not lead to a change in the West's hardline stance on Tehran.

Iran has also insisted that it would continue enriching uranium because it needs to provide fuel to a 300-megawatt light-water reactor it is building in the southwestern town of Darkhoveyn as well as its first nuclear power plant in the southern port city of Bushehr.

«It's ironic that the West is so vehemently opposed to Iran's efforts to develop nuclear energy, but it is sabotaging our efforts to develop clean energy sources like wind,» said Nader Niktab, Sara Niroo's managing director.

By supporting wind energy in Iran, investors will not only aid the environment but improve the political climate by breaking down trade barriers between the United States and Iran.

«Under present US law, companies that invest in Iran are subject to a \$1 million fine,» said Medea Benjamin, Codepink co-founder. «We're challenging those unproductive restrictions and pushing the Obama administration to lift sanctions and establish peaceful relations with Iran.»

Benjamin will present the

initial elements of the plan this weekend in Chicago to the fourth annual assembly of the nation's leading peace and justice coalition, United for Peace and Justice. At the Assembly, delegates from the UFPJ's 1,400 member groups - as well as from those who have not yet joined UFPJ - will come together and map out effective plans to fight two wars and economic disaster under the administration of President-elect Obama.

Benjamin and other Codepink women will also present a «Let's talk!» initiative, a plan to gather a broad spectrum of peace, justice and progres-

sive groups together and invite President-elect Obama to meet with them to discuss promises he made during his campaign, question his Cabinet choices, and ask how he plans to be an agent for peace.

Benjamin, co-founder Jodie Evans and (retired) Col. Ann Wright were inspired to invest in Saba Niroo during their recent citizen diplomacy trip to Iran as citizen diplomats, meeting with Iranian officials and people to create human connections and foster understanding between the two countries.

Codepink is a women-initiat-

ed grassroots peace and social justice movement working to end the war in Iraq, stop new wars, and redirect the United States' resources into health-care, education and other life-affirming activities.

Codepink rejects the Bush administration's fear-based politics that justify violence, and instead calls for policies based on compassion, kindness and a commitment to international law. With an emphasis on joy and humor, Codepink women and men seek to activate, amplify and inspire a community of peacemakers through creative campaigns and a commitment to non-violence.

## Minister: Iran Favors European Markets

Iran's Minister of Commerce Massoud Mir-Kazemi expressed hope that Iran would expand its presence in the Balkan region so that it could reach the European markets.

He made the remark while talking to the Islamic republic news agency after a ceremony during which Iran and Bosnia signed a preferential tariff agreement.

The agreement was inked by Mir-Kazemi and Bosnian Minister of Foreign Trade and Economic Relations Mladen Zirojevic.

He added that signing the agreement is an indication to serious determination of the two countries leaders to further boost trade relations.

Voicing Iran's support for the Bosnian nation during the country's difficult time, the Iranian minister announced Tehran's readiness to further boost trade relations with Sarajevo.

He stressed that the Iranian traders can export their goods to other European states via Bosnia.

Mir-Kazemi regretted that a

large amount of Iranian commodities, including the hand-woven carpets and dried fruits, are imported to Bosnia via a third country.

Zirojevic expressed satisfaction with signing of several agreements with the Islamic Republic of Iran, and said that the preferential tariff agreement inked between the two sides would accelerate Tehran-Sarajevo trade cooperation.

He added that his government is interested in expansion of all-out ties with Tehran.

## Over 21.8m Tons of Commodities Exported Abroad

Some 21.8 million tons of commodities, worth dlr 13 billion, have been exported abroad since the start of current Iranian year on March 21, 2008.

Deputy head of Islamic Republic of Iran Customs Administration (IRICA) for customs

affairs said that over 27.4 million goods, worth dlr 38.2 billion, imported to country during the same period.

According to the Islamic republic news agency, Mohammad Reza Naderi added close to 3.5 million tons and dlr 9.6 mil-

lion tons of commodities were exported and imported respectively from Khuzestan province during the period.

He also voiced the IRICA readiness to operate in the free trade zones.

## Iran, Tajikistan Ink Cooperation Agreement

Iranian pharmaceutical company Arvin Arman and Tajik Health Ministry here on Wednesday evening signed a cooperation agreement on supply of medicines.

The document was inked by Managing Director of Arvin Arman Company Mohammad Reza Seyyedi and Tajik Health Minister Nosratollah Salimov, a report said.

Seyyedi was quoted by the

Islamic republic news agency as saying that a pharmaceutical



firm Baharkuh has been set up to represent interests of the Iranian company Arvin Arman in Tajikistan.

The round-table meeting discussed Tajikistan's demands for imported medicines.

Tajik pharmacists suggested testing medicines offered by the Iranian company, and organizing a seminar for staff of Tajik medical institutions.

Staff members of Iranian Arvin Arman Company are visiting Tajikistan at the invitation of Tajik Health Ministry.

## Ahmadinejad Inaugurates Sugar Mill in Southwestern Iran

Iran's President Mahmoud Ahmadinejad Tuesday evening inaugurated Khuzestan province's Farabi sugar mill located on Ahvaz-Abadan road.

Ahmadinejad and his Cabinet members are in Khuzestan on the second round of their visit to

the province.

The mill, inaugurated on the first day of the president's visit to the province, has a production capacity of 100,000 tons annually.

Its construction began in

1999.

Agriculture Jihad Minister Mohammad Reza Eskandarai and a number of local officials attended the inaugural ceremony.

## Khorassan Exports over \$600mln of Products in 8 Months

Some 549,000 tons of products valued approximately at \$632 million were exported via the northeastern Khorassan Razavi province in the eight months to November 20, 2008.

The director of Khorassan Razavi Province's Commerce Organization said that the exports show a 28 percent and a 36 percent growth in terms of weight and value respectively over the figures of the same period last year, MNA said citing a report by the state-run tv.

Ali Safarzadeh added that plastics, melamine, saffron, paints



and resins, metals, machine-made carpets, and textile constitute the export-bound products that were sent to Afghanistan, Tajikistan, Turkmenistan, Kyrgyzstan, the UAE, Spain, Iraq, and the Netherlands.

According to Safarzadeh the province imported 500,000 tons of products valued at (about \$245 million) in this period, indicating a 2 percent rise and an 8 percent fall in terms of weight and value respectively.

## Iran Seizes 10 Oil Smuggling Tankers

Iran's naval security forces confiscated ten oil tankers smuggling 4,600 tons of Iranian fuel out of the Persian Gulf.

A Hormozgan Province security official, Ahmad Moradi, said on Monday that out of the ten tankers seized in the Persian Gulf over the past year, eight have

been registered as foreign vessels with foreign crew on board.

According to the Iranian official, an Emirati-registered tanker laden with 300 tons of crude oil was intercepted by Iranian forces in the Persian Gulf last week, press tv reported.

Moradi added that fuel smug-

gling has increased by 232 percent compared to last year's figures, which amounts to 4,600 tons.

Iran is OPEC's second-largest exporter after Saudi Arabia, and is the fourth-largest exporter of crude oil in the world after Saudi Arabia, Russia, and Norway.

## Iran Exports \$2bln Worth of Goods to Iraq

Iran has exported more than \$2 billion worth of goods to Iraq since January 2008, a senior Iranian trade official said.

Hassan Magaz, Chairman of the Iranian-Iraqi Chamber of Commerce, said Iranian firms and chambers of commerce were currently holding two trade fairs in Iraq, one in Baghdad and the other in the northern Kurdish city of Dahouk.

«Iranian firms will open a new trade fair in the (Kurdish) city of Sulaimaniya,» Magaz added.

Magaz is in Iraq, heading a large trade delegation to expand bilateral ties and increase volume of Iranian exports to the country.

«Iran has a big role in bringing Iraqi reconstruction and devel-

opment to success,» the official added according to Azzaman.

He said ties with Iraq's Kurdish region were booming. The three Kurdish provinces in the north imported goods worth \$1.2 billion from Iran this year, he added.

Iran's exports to Iraq in 2007 were valued at \$1.8 billion.

## Iran Sees Stronger Ties among Oil Producers

Iran said that OPEC's ties with those producers outside the oil cartel will emerge stronger from a meeting on Wednesday.

If the Organization of Petroleum Exporting Countries was to follow a Venezuelan proposal to set \$80 to \$100 a barrel of oil as a target price, the production «cut will be considerable», Iran's OPEC Governor Mohammad Ali Khatibi said in a phone interview with Dow Jones.

«Depending on what level of price (OPEC members will agree to target), you need to find the figure that corresponds» for a possible reduction, he said.

Pointing out that some members are targeting prices of as low as \$60 a barrel, he said it was too early to say what production cut - if any - would be decided.

«We have to wait» for what the ministers will decide, he said.

Saudi Arabia, the largest OPEC producer, has said it targets \$75 a barrel as the right price.

OPEC members are due to meet in Oran, Algeria, where the

organization's president, Chakib Khelil, has said a «severe» production cut is expected. The move would come after OPEC already agreed to reduce its pro-



duction by 2 million barrels a day, amidst a drop in the oil price from \$147 a barrel in July to about \$45 a barrel now.

Khatibi said he expected the Oran meeting to bring closer cooperation with non-OPEC oil producers, especially in defining what the right oil price should be.

Khatibi said Venezuela's \$100 price goal proposal is «defended by Russia».

OPEC's Khelil said Saturday that Russia and three other non-cartel members will take part in the meeting.

«There should be some consensus» over what the right

price should be among the participants, both OPEC and non-OPEC, Khatibi said, adding their «exchange of views» will also concern the target price.

«After the Algeria meeting, OPEC and non-OPEC (oil producers) will come to a new friendship, new conditions in their cooperation. Their relationship will be stronger,» he added.

Khatibi said, however, «I don't think OPEC is going to put conditions» to follow its cut for non-OPEC members. On the issue of oil inventories of the Organization for Economic Cooperation and Development, or OECD, Khatibi said «everyone agrees it should be (reduced to) 52 days» of forward cover.

The number of days of forward cover indicates how much OECD holds in reserves in days of average consumption.

The International Energy Agency said Thursday that the number now stands at 56.8 days.

«Everybody agrees that stocks are too high,» Khatibi said.

## Iranian Industrial Designs Biennial Underway in Tehran

The First Biennial of Iranian Industrial Designs is currently underway at the Museum of Modern Art (Maane Honare No).

A total 150 designs in several

fields including furniture, cars, industrial machines, and medical equipments are on display in the biennial.

The organizers of the event have also exhibited a number of

foreign works for comparison.

The showcase runs until December 20 at the museum located at 33 Mirzapur St., near Sadr Bridge, off Shariati Ave, MNA reported.

## Iran to Build Petrochemical Plants in Malaysia

Iran has inked a contract to build a refinery-petrochemical complex in Malaysia.

Iran, which holds estimated recoverable oil reserves of 138 billion barrels and produces oil

presence in Iran, which is rich in oil and gas, but not getting into big deals that could endanger their interests in the US.



The contract was signed last Tuesday in Malaysian capital of Kuala Lumpur between Iran's Hampa Engineering Corporation and a Malaysian firm.

The refinery-petrochemical complex, which will manufacture gas-oil, gasoline, jet fuel, liquefied natural gas (LNG) and petrochemical raw materials, will be constructed in the Malaysian state of Terengganu over a period of six years and will reportedly cost more than 6 billion US dollars.

Malaysia, on the other hand, will invest 5 to 6 billion dollars in Iran's gas fields according to the cooperation Memoranda of Understanding (MoUs) that the two sides signed in Tehran on Monday.

of some 4.2 million barrel per day (bpd), is eager to export the long-dealt-with know-how on oil industry.

Iran, which sits on the world's second largest reserves of both oil and gas, is facing US sanctions over its civilian nuclear program.

Iranian officials have dismissed US sanctions as inefficient, saying that they are finding Asian partners instead. Several Chinese and other Asian firms are negotiating or signing up to oil and gas deals.

Following US pressures on companies to stop business with Tehran, many western companies decided to do a balancing act. They tried to maintain their

Yet, after oil giants in the West witnessed that their absence in big deals has provided Chinese, Indian and Russian companies with excellent opportunities to signing up to an increasing number of energy projects and earn billions of dollars, many western firms are slowly losing reluctance to invest or expand work in Iran.

Some European countries have also recently voiced interest in investment in Iran's energy sector after a gas deal was signed between Iran and Switzerland regardless of US sanctions.

The National Iranian Gas Export Company and Switzerland's Elektrizitaetsgesellschaft Laufenburg signed a 25-year deal in March for the delivery of 5.5 billion cubic meters of gas per year.

The biggest recent deal, worth €100m (\$147m, £80m), was signed by Steiner Prematechnik Gastec, the German engineering company, this year to build equipment for three gas conversion plants in Iran.

## Iran's Caviar Export to Hit \$22mln This Year

Iran caviar export value is estimated to reach some \$22 million in the current Iranian calendar year (to end March 19, 2009), an official of the Ministry of Agricultural Jihad said.

Nasrollah Khadem, the man-



aging director of Agricultural Services Holding Company added that Iran harvested 10.2 tons of caviar last (Iranian) year and exported about 7 tons of that, earning over \$22 million, MNA reported.

## Iranian Hot Dipped Galvanized Market Weakens Again

The prices of hot dipped galvanized products in Iran dropped again in the last three weeks. Currently the deal prices of hot dipped galvanized steel are between USD 960 per ton and USD 1260 per ton.

The local price (FOB Tehran),

prompt delivery and paid by cash is around USD 25 per ton lower than last week and USD 35 per ton lower than the last two weeks.

Iran's suppliers have been modifying their prices down gradually since a few months

ago. However, although the current market situation is not pleasing, those who have the flexible strategy and competitive prices can still acquire lots of orders.

## Chambers News

### IBCCIM News

#### Holding IBCCIM's Executive Board Meetings

During the reporting period, the executive board session was held regularly with the presence of all members. In these sessions beside the discussion about economic problems in general and

in particular between the Iran and Britain, the proposed reports of various specialized commissions of the chamber were discussed and all proposed matters were ratified. Furthermore, it

was decided to arrange a mission to the united kingdom every two months to meet business partners and visit exhibitions in different fields.

#### Chamber's Electronic Newsletter

The electronic newsletter of the Chamber which is presented in Farsi were regularly issued with latest British

economic news, reports and events receiving from Secretariat of the IBCCIM in Tehran, BBC and BICC in Lon-

don and were forwarded to the [www.ibchamber.org](http://www.ibchamber.org), chambers's website and directly to the members.

## Holding Chamber's Specialized Commissions

### The Education and IT Commission:

The Education and IT commission meetings were monthly held during this period with presence of F. Amiri, F. Abolahian, L. Marzabadi, Dr.A.H. Amini, R. Jaber-Ansari, M. R. Shahabian, R. Taati and M. Hamoon. In these sessions organizing English courses and establishing new commission for tourism were discussed and ratified and reported to the executive Board of Director.

### Investment Facilitation and Co-operations:

The investment facilitation and co-operations commission meetings were held monthly

during this season with the presence of F. Abdolahian, L. Marzabadi, Z. Naghavi and Dr. A.H. Amini, Dr. B. Akhlaghi, M. Bayat, I. Danesh, M. Ha-



moon, H. Iranmanesh, Dr. A. Sharghi under the chairmanship of Dr. N. Homapour. In these commissions the economic problems and global financial crisis, especially its impact on our national economy and also current Iranian financial and monetary policy

were discussed.

### Tourism Exchange Commission:

The session of this Commission, which concerned the proposal of education and IT commission and approval of Board of Directors were regularly held with membership and presence of: M. Shahabi, Z. Naghavi, L. Marzabadi and H. Iranmanesh, A. Tavangar, R. Jaber-Ansari under chairmanship of Dr. A.H. Amini. As the first deed, the commission organized a mission to Britain for 2 February 2009 to visit Legal It and meet some business partners.

## BICC News

### Annual Reception and Dinner at House of Lords

28<sup>th</sup> November 2008

As usual, BICC annual reception was held on Friday 28 November at House of Lords, attended by about 120 British and Iranian guests, including some members of House of Lords and a number of British

and resident Iranian non member businessmen, and staff of Iranian embassy in London.

At this glamorous ceremony, Lord Lamont the chairman of British Iranian chamber of Commerce, Lord Philip,

Chamber Vice President made their annual addresses and expressed admiration for Miss Mitra Taheri's services, as the Chamber's executive secretary. She received a warm ovation by audience.

### Issuing BICC New Bulletin

The summer issue of BICC Bulletin titled ECONOMIC FOCUS was published. This issue contained a note from the editor, Yousef Daneshvar, BICC's Vice Chairman explaining the change of the title of the Bulletin; high

lights of economic news; Mr. Sabersheik's report concerning British capacity for importing dried fruits and Iranian rank among the exports of fruits to Britain; monthly meetings of the Chamber's members, including speech of

Mr. N. Turner, the director of bmi Airlines; some examples of Iran tax laws; and finally schedules of future Iranian fairs. The issue received by this chamber was dispatched to the interested readers.