

Diplomacy Renders Sanctions Ineffective



Iranian gas reserves rank second in the world after Russia.

The Oil Ministry's active diplomacy has led to the failure of pressures and sanctions imposed on Iran.

Presently, three groups in the ministry are conducting natural gas negotiations with other countries. Deputy Oil Minister Ali Kordan is accompanying President Mahmoud Ahmadinejad in his tour of India and Pakistan for peace pipeline negotiations.

Two years ago, Iran proposed the establishment of an international entity for natural gas producing countries. This has been welcomed and a meeting has been planned in Tehran to formalize the concept.

Currently, Iran's permanent representative at OPEC, Hossein Kazempour Ardebili, and the head of OPEC affairs at the Oil Ministry, Javad Yarjani, are negotiating with gas producing coun-

tries about the establishment of a gas OPEC.

Iranian gas reserves rank second in the world after Russia. South Pars is among the largest gas field, with some 24 development phases designed.

Two other deputy oil ministers, namely Seifollah Jashnsaz and Hossein Noghrehkar-Shirazi, are negotiating with the Russian firm Gazprom for the latter's presence in Iranian oil and gas projects.

This is while many Asian and European companies have also expressed interest in Iranian oil projects. Legal and expert groups of the ministry are holding talks with Bahrain, Kuwait and Oman for gas exports.

The success achieved by the ministry's active diplomacy indicates that the ill efforts of major powers for isolating Iran on the international scene have failed.

Talks With Foreign Banks

The Central Bank of Iran is conducting final-stage talks with six foreign banks that have expressed their readiness to invest in Iran.

CBI Director General Mahmoud Bahmani told Mehr News Agency that foreign banks will soon join Iran's banking system.

He said there is no obstacle to foreign banks' investments in Iran, "as the CBI issues related permits and authorizes them".

Bahmani added that foreign banks are serious about setting up branches in Iran. "We strongly welcome the presence of foreign banks in Iran," he said, adding that Iranian banks have also taken measures to open branches in other countries.

CBI President Tahmasb Mazaheri earlier said the first branch of a European bank will open in Tehran on June 17, noting that another foreign bank has applied to set up seven branches in other Iranian cities.

Bahmani further said the shares of Iranian banks liable to privatization as per Article 44 of the constitution will be sold to the private sector.

"The Commerce Ministry is presently preparing the ground for offering the shares of related banks via the bourse," he said.

News in Brief

Gas Pipeline Talks Progress

Pakistan and India seem to have made a major breakthrough on the gas pipeline. President Mahmoud Ahmadinejad's visit to the two capitals will help expedite the project, a leading Pakistani daily said Monday.

The differences between Pakistan and India, especially over the transit fee and transportation charges, have already delayed the pipeline project, raising the cost from \$3.3 billion in 2004 to \$7.5 billion today, Dawn newspaper said in its editorial.

"But that is no reason why the three countries should abandon a project that serves the economic and energy interests of all of them," it said.

The daily said that several factors have delayed the materializing of IPI, one of them being America's hostility toward Iran and New Delhi's sensitivity to Washington's concerns. As a result, India stayed away from three meetings between Pakistani and Iranian officials in the last nine months.

However, hard economic realities coupled with a domestic backlash have combined to force a rethinking in New Delhi, it said.

Homa in Privatization Bracket

Minister of roads and transportation has announced that Tehran plans to privatize the country's leading airline, Iran Air. "We are ready to offer the Iran Air Company's shares to interested buyers," Mohammad Rahmati told MNA on Sunday.

"Details of the sales process will be announced later by the Privatization Organization, which is tasked with the responsibility to oversee Iran's privatization program and procedures," he added.

The minister stressed that Iran Air, like the country's other airlines, is a profit-making company.

Iran Air, also known as 'Homa', is Iran's national flag carrier. It operates flights to 20 scheduled and five charter destinations, while its cargo fleet flies to 35 international and 25 domestic destinations.

The Tehran-based company currently owns 54 aircrafts, which is a record number of planes in the more than four decades it has been providing service to passengers from all over the world.

The official name of the airline changed to The Airline of the Islamic Republic of Iran in 1981. Iran Air carried 1.7 million passengers in that year. In 1990, the first of six Fokker 100 jets was added to the fleet, and five more units joined later on.

More Justice Shares on Offer

Justice shares will be given to workers whose salary is below three million rials per month as well as to women heading households, said Masoud Kazemzadeh who is in charge of Labor and Social Welfare Ministry's Shares and Social Affairs Division.

On providing justice shares to women breadwinners, he explained that the ministry plans to follow up the plan through three channels, ISNA reported.

One of them is the Social Security Organization of Iran which releases data about these women, he pointed out. Also labor departments would assist in this, he added.

Along with these two bodies, Labor Ministry is to launch a website in which the particulars of all women who head households will be recorded, Kazemzadeh underlined.

Women who come under this category can register in this website, enabling Labor Ministry to have access to data about them, he added.

Crude Output Up

Oil Minister Gholamhossein Nozari has said that crude oil production has increased by 200,000 bpd in the last three years.

The rise in production was achieved by checking the fall in pressure in some of the oil wells, Nozari told Fars news agency on Sunday.

A number of projects are underway to increase the recovery potential of oilfields, with gas injection being one of the techniques applied to increase output, he added.

He further said that upon completion of Phase 2 of Darkhovin oilfield development project, daily output is expected to increase by another 60,000 barrels.

Production of 30,000 more barrels of oil, in addition to the present 25,000 barrels from Azadegan oilfield, is one of the projects currently being implemented by the ministry, the minister said.



Rials 190b Loans To Cooperatives

Cooperative Fund, the credit institute of cooperative sector, paid about 190 billion rials to cooperative companies during March 20-April 19 after studying 786 documents.

Announcing this, manager of the fund's Public Relations Office said that the institute has helped create jobs in cooperative sector by extending loans.

Saeed Moadi predicted that once the State Expediency Council endorses the establishment of 'cooperative development bank' and 'taskforce for guaranteeing investment in cooperative sector', the decision will be notified to the government for implementation, reported IRNA.

The newly-established branches of Cooperative Fund in the provinces have recruited the staff and been equipped with hardware and software facilities, he said adding that grounds are now ready for Cooperative Fund to accept new responsibilities and be transformed into a bank.

Liquidity Pushing Up Oil Prices

National Iranian Oil Company's director for international affairs said the huge liquidity in industrialized Western countries is the main reason for the unprecedented rise in oil price in international markets and predicted that the trend would continue.

"In the past few years, geopolitical crises in the Persian Gulf, Iraq, Nigeria and other parts of the world have created temporary periods of increase in oil price," Hojjatollah Ghanimifard told MNA.

However, the current rise in oil price is not the result of these classic political factors, since they can only have transitional effects and cannot explain the current situation, he said.

Oil prices are soaring because of the massive liquidity in industrialized countries, particularly in the United States and Britain, he contended.



12 Nations to Attend GECF Ministerial Meeting

Iran will host the ministerial meeting of Gas Exporting Countries Forum (GECF), an alliance of the world's leading producers, on May 6-7.

According to IRNA, the event will be attended by Iran, Algeria, Qatar, Egypt, Malaysia, Norway, Libya, Trinidad & Tobago, Russia, Venezuela, Indonesia and UAE. Oil minister's advisor, Hossein Kazempour Ardebili will chair the meeting.

Proposed by Iran and backed by Russia, the GECF aims to foster the concept of mutuality of interests by favoring dialogue between producers, between producers and consumers and between governments and energy-related industries; to provide a platform to promote study and the exchange of views; and to promote a stable and transparent energy market.

Iranian and Russian officials say the formation of an OPEC-like organization for natural gas will not have a profound impact on gas prices as the cost of each type of energy depends on the competition in the supply of other forms of energy.