

## Deep Water Exploration Review In EU-OPEC Meeting

Iran's governor at OPEC, Mohammad Ali Khatibi said days of prompting security in exploration and production in deep waters was among the topics of the seventh meeting of the EU-OPEC meeting.

In an interview with Shana, Khatibi said oil spill in the Gulf of Mexico has caused widespread concerns among the different countries noting that during the meeting, EU emphasized that even though oil spill in the Gulf of Mexico is a regional problem but at the same time it has global dimensions and could impact on oil exploration and production all over the world.

He said these concerns have led to place moratorium on exploration and production in deep waters which in turn could lead to falling oil production in offshore oil fields.

Emphasizing on the necessity of promoting security in exploration and production in offshore oil fields, Iran's governor at OPEC noted that the EU delegation has proposed holding a joint meeting with OPEC that is scheduled to be held in near future.

In a meeting of OPEC and EU officials on Monday, participants concluded that in order to minimize the risk of facing excessive market volatility, adequate regulatory reforms, including greater transparency need to be part of an overall reshaping of the global financial sector.

In a joint statement at the end of the seventh ministerial-level meeting of the Energy Dialogue between the EU and OPEC in Brussels, both groups also reiterated their mutual interest in stable, transparent, and predictable oil markets.

Looking forward, the statement said the economic recession, together with the introduction of new energy and environmental policies in many consuming countries, "could add to longstanding uncertainties about future demand."

It warned that this could have considerable implications for future upstream and downstream investment requirements.

Still, both OPEC and the EU believe that fossil fuels will continue to meet most of the world's energy needs, with oil playing the leading role.

"Both parties maintained a firm focus on meeting longer-term challenges, in spite of the many hardships caused by the present world economic crisis," the statement said.

The reciprocal nature of energy security was emphasized, it continued, "With security of demand recognized as being as important to producers as security of supply is to consumers."

Both parties said they will continue to analyze and discuss the root causes of the recent financial crisis and economic recession, including the financial losses incurred by producing countries.

"In addition, actions which help prevent a repetition of damaging economic down-turns are needed," it concluded.

## Iran to Attend China Investment Expo

The 2nd China International Fair for Investment in Property (CIFIP 2010) will take place at Xiamen International Conference & Exhibition Center from September 8th-11th, 2010, coinciding with the 14th China International Fair for Investment and Trade (CIIFT 2010).

The Islamic Republic of Iran will attend CIIFT 2010 and CIFIP 2010 to introduce its investment opportunities in various sectors, deputy head of Iran-China Chamber of Commerce, Majid Reza Harii, said, Moj News agency reported. CIIFT 2010 is sponsored by China's ministry of commerce. Following 13 years of development, CIIFT has become one of the world's largest international investment promotion events, and is the only UFI certified investment event.

Each CIIFT draws more than 50,000 domestic and overseas visitors from over 120 countries and regions. At each CIIFT, delegations from more than 60 countries and regions stage exhibitions, and over 1,300 journalists from more than 300 domestic and overseas mainstream press organizations provide full coverage.

CIFIP is a premier conference and exhibition focused on international connectivity. It aims to encourage investment and promote trading between property project providers and investors.

## Economy Grows Despite Sanctions

The volume of transactions in Iran's investment market has seen a 10 percent growth despite new UN Security Council (UNSC) sanctions, an Iranian official said.

The UNSC adopted new sanctions against the Islamic Republic last month. The sanctions came after US's hard lobbying for new punitive measures against Tehran over its nuclear work.

Deputy Minister of Economic Affairs and Finance Behrouz Alishiri said Thursday that the new sanctions have proved to be futile as the volume of transactions in Iran's investment market has seen a 10 percent growth since the ratification of the UN resolution, IRNA reported.

The Iranian official further pointed out that according to the reports released by the International Monetary Fund, foreign investment in Iran has risen from \$900 million in 2007 to \$3 billion in 2009.

Alishiri, who is also the Director of the Organization for Investment, Economic and Technical Assistance of Iran, said that cheap energy resources and skillful human force were among the reasons behind foreign investment in the country.

According to Alishiri, Iran's stable economic condition has also attracted foreign investment to the country.



# Industrial Investment Up Mining Sector Exports Hit \$8b

The minister of industries and mines said on Saturday investment in the industrial and mining arenas during the Fourth Development Plan (2005-2010) exceeded 700,000 billion rials.

Ah Akbar Mehrabian made the above remark in his address on the National Day of Industry and Mines in Iran in the presence of President Mahmoud Ahmadinejad, a number of parliamentarians and the industrialists.

Mehrabian said the figure of investment has been five times higher than that of the country's Third Five-Year Economic Development Plan (2000-2005), IRIB reported.

Despite recent world recession that caused 23 percent decrease in the global exports in 2009, Iran's mining and industrial products exports witnessed a 15 percent growth in the recession period, Mehrabian noted.

Meanwhile, last week Deputy Minister of Industries and Mines Mohammad Massoud Samieinejad said in 2009-2010 the mining sector had exports reaching \$8.13 billion, accounting for about 32 percent of the country's non-oil exports.

"This level of export of minerals marked 45 percent of total exports in the industrial and mine sector," added Samieinejad, who was addressing the first meeting themed 'Mines, Opportunities and Challenges,' IRNA reported.

He said based on the latest statistics currently 5,574 mines are being exploited in 30 provinces of the country while 20,375 mining industries units nationwide are processing minerals.

"Some 100,000 people are directly employed in the mining industries units while as a whole some 500,000 people are employed in the mine sector," he noted.

He said it has been projected that by the end of the fifth development plan (2010-2015) 42 million tons of crude steel will be produced in the country.

"For this production level we need 66 million tons of iron ore. This is while at present about 27 million tons of iron ore is being exploited and we need to increase this level for the next five years," he noted.

Regarding targets for production of cement in the fifth development plan, he said, "By the end of this plan production of cement in the country should



Iran's mining and industrial products exports witnessed a 15 percent growth in the recession period

reach 110 million tons per year while at present the production capacity is 71 million tons per year. ... Fulfilling the declared objectives of the plan regarding production of cement requires production of 166 million tons of limestone."

### > Minerals Diversity

Elsewhere in his remarks, Samieinejad said Iran ranks among top 10 countries in terms of diversity of minerals.

"At present, some 68 types of minerals have been identified nationwide. From the said figure 54 types are being exploited," he pointed out.

He emphasized that Iran is unparalleled in the Persian Gulf and Middle East regions in terms of diversity of minerals. "The Persian Gulf littoral states currently import all their sand and gravel

needs from Iran."

He recalled that one strong point of the mining sector is establishment of supportive institutions.

"These institutions include investment insurance fund for mining activities, Mine Engineering Society and affiliated organizations which have high capabilities and potentials at the regional and international levels," he noted.

He recalled that the weak points of the mining sector were identified during the Fourth Development Plan and rectified in implementing the fifth development plan.

"One such weakness was absence of a mining department within the ministry. Last year, this department was established to make decisions in the mining sector," he noted.

He underlined that parallel activities in the mining sector should be seriously shunned so that resources would not be wasted.

"Upon compiling new policies for the fifth development plan, parallel activities in the mining sector would be prevented," he said.

He recalled that existence of specialized forces in campuses, convenient access to energy resources, the country's strategic position and its access to regional markets as well as extensive ties with Asian, Latin American and African countries are among opportunities for expanding the mining sector.

He emphasized that all plans should be as such that one percent of the existing mine reserves be exploited while at present the figure is only 0.4 percent.

## Turkish Groups to Invest in AFTZ

Managing Director of Aras Free Trade Zone (AFTZ) Organization Abbas Ranjbar said Saturday two groups of Turkish investors have voiced their readiness for investing in constructing power plants and planting hydroponic products in the zone.

"The two investment groups first toured the Aras Free Trade Zone and became familiar with its investment potentials and existing infrastructures. The good omen is that the situation is ripe for the presence of the two investment groups in AFTZ. Existence of the greenhouse town in the AFTZ, which has been built upon cooperation of Agricultural Jihad Ministry, has paved the ground for presence of investors in the arena of planting hydroponic products," Ranjbar added, IRNA reported.

The definition of hydroponics is basically the growing of plants without the use of soil.

He also referred to the 500-megawatt combined cycle power plant project which is currently underway in AFTZ as a joint investment venture with foreign parties.

"Given the conditions of production of energy in this region and the zone's accessibility to the Republic of Azerbaijan, Armenia and Nakhchivan Autonomous Republic of Azerbaijan the conditions are prepared for energy investments in AFTZ," he noted.



### > Energy Cooperation

Turkish energy minister said the new UN Security Council (UNSC) sanctions against Iran will not affect the current energy deals between the two countries.

"Turkey will continue to cooperate with Iran because the sanctions did not include any specific restriction on energy deals," Turkey's Energy and Natural Resources Minister Tamer Yildiz said in an interview with Presstv.

"Energy is not part of the UN sanctions," he added.

Turkey is currently carrying out technical studies in Iran's south pars gas field which could potentially yield prosperous investment for both countries.

"After we receive the result of this study we will decide how to move forward," Yildiz said.

Iran exports 25 million cubic meters of natural gas to turkey per day and the figure can increase to 30 in the near future.

Iran has the world's second-largest gas reserves. The country's gas producing capacity stood at 630 million cubic meters per day in the current Iranian calendar year.

On June 9, the UNSC passed the Washington-drafted sanctions resolution against Iran over Western allegations that Tehran's nuclear program is harboring a secret military agenda.

While the US possesses and has used nuclear weapons in the past, Washington, in a politically-motivated move, is now imposing unilateral sanctions against Iran, which does not possess nuclear weapons nor does it seek to develop such weapons.

Iran has repeatedly rejected the allegations, reserving its right to a peaceful nuclear energy as a member of the International Atomic Energy Agency (IAEA) and a signatory to the Nuclear Non-Proliferation Treaty (NPT).

## Inflation Rate Down

Governor of Central Bank of Iran (CBI) Mahmoud Bahmani said on Saturday the inflation rate has been lowered to 9.4 percent from 9.9 percent in May 21.

"This has been achieved through controlling liquidity," added Bahmani, who was addressing the ceremony commemorating Industry and Mine Day, in which President Mahmoud Ahmadinejad, the MPs and a group of industrialist



were also present, IRNA reported.

He emphasized that the inflation rate should decrease to five or four percent.

"Although in the past three years allocating banking resources for the industrial and mine sector has had a good growth rate, some 40 percent of national banking resources should be designated for this sector. In 2008-9 and 2009-2010 some 33 percent and 35 percent of banking

facilities were allocated for this sector, respectively and in 2010-2011 this figure has increased to 37 percent," he noted.

He also underlined that based on Vision-2025 economic growth should hit eight percent per year.

"This will be possible through relying on increasing the share of productivity to 2.5 percent from the current level of 0.5 percent," he noted.