

Report Predicts Highest Growth by 2025

A Goldman Sachs report on global economics indicated that Iran is forecast to reach the highest economic growth between 2015 and 2025 and join the world's largest economies.

The report titled "Global Economics Paper No: 153", issued by the Goldman Sachs Group, Inc. on March 28, 2007, says 11 emerging economies dubbed as "N-11" countries, including Bangladesh, Egypt, Indonesia, Korea, Mexico, Nigeria, Pakistan, Philippines, Turkey, Vietnam and the Islamic Republic are expected to notch up striking economic growth rates between 2015 and 2025, Fars News Agency wrote on Friday.

According to the US-based banking group, Iran has the strong possibility of becoming one of the world's largest economies in the 21st century, thanks to its relatively stable and steady economic rise, and a marked increase in the country's Gross Domestic Product (GDP), which is estimated to reach about \$716 billion in 2025.

"Iran is another N-11 country, which likewise has significant potential...Iran has some attributes that would allow the country to advance much more easily than others," said the report, adding that Iran would have the potential to be the world's 12th economy by 2025.

The Goldman Sachs, which is an American investment banking and securities firm that engages in global investment banking, securities, and other financial services, introduced the N-11 grouping in late 2005 as part of comprehensive economic research on the countries that might have the kind of potential for global impact and could pose a challenge to G7 in size and economic growth.

The N-11's weight in the global economy has been slowly increasing, with a contribution to global growth of around 9 percent over the last few years, the report added.

The report goes on to say that the Islamic Republic and Vietnam have the potential to become as rich as Germany today, and thus become an exciting prospect for foreign investors.

According to the report, the N-11 countries as a group of potentially large, fast-growing markets may not have the scale yet to be on a par with BRIC—a grouping acronym that refers to the countries of Brazil, Russia, India and China—but they could rival the G7 countries.

The World Bank on its report on global economy in 2010 predicted that Iran's economic growth will double in 2011. Iran's economic growth will reach 3 percent in 2011, World Bank added.

On March 21, Leader of the Islamic Revolution Ayatollah Seyyed Ali Khamenei named new Iranian calendar year (March 2011-2012) as "The Year of Economic Jihad."

Ayatollah Khamenei also called on Iranian officials and nation to make Jihad-like efforts in order to lay the ground for a decade of economic growth.

3rd Phase of Kish Oil Bourse to Open

Iran is set to inaugurate the third phase of oil bourse on Kish Island in the Persian Gulf for trade in crude and petrochemical products with vast opportunities for foreign companies.

The third phase of the oil stock exchange will be inaugurated within the next few days on the island and one of the perks of the new phase is that it will be a venue for transactions of crude oil and petroleum products, IRNA quoted the head of Iran's Securities and Exchange Organization Ali Salehabadi as saying.

He also stated that all types of contracts in the oil bourse will be based upon global standards of purchase and sale and in accordance with Islamic rules, adding that it will further boost Iran's strategic significance in the region.

The Islamic Republic launched the first phase of the oil stock exchange on Kish Island for trade in crude and petrochemical products on February 17, 2008, and successfully managed to make the second phase operational in late 2009, Salehabadi noted.

"One of the advantages offered by the free economic zone of Kish Island is that representatives and individuals from international companies can easily travel to the island and conduct large currency transactions," the chairman of the Tehran Stock Exchange added.

After Saudi Arabia, Iran is the second-largest oil producer in OPEC—the Organization of the Petroleum Exporting Countries—and it assumed the oil producing body's rotating presidency in 2011.

Iran, which possesses the world's second-largest gas reserves and third-largest oil reserves, is working diligently to play a more active role in oil and petrochemical transactions in international markets. Iran Mercantile Exchange, a Tehran-based commodities bourse, will start trading fuel-oil contracts this month as a prelude to other energy trading.

The exchange will start trading 380-centistoke fuel oil in "cash and spot contracts" this month, Ahmad Rezaei, director for derivatives trading at the exchange, said in a phone interview from Tehran, Bloomberg reported.

"Each contract will be for 10 metric tons," Rezaei said.

Iran, the second-largest crude producer in the Organization of Petroleum Exporting Countries, seeks to revive its mostly government-controlled economy and expand its influence in energy markets in the Middle East, where two exchanges in Dubai already compete for customers by offering future contracts in oil, gold and steel. "Iran, as other countries, needs to rely on the free market to be competitive," said Rezaei, who is also the adviser to the exchange's director general.

"We want to put in place a system toward the modernization of the exchange and the trade of strategic items. Our exchange has these capabilities."

The official noted that an opening ceremony is scheduled for April 3 and trading will start later in the month, though a specific date for the start of operations has not been set.

"Delivery will be monthly and on a first come, first served basis" in locations in the Persian Gulf such as Bandar Abbas, Bandar Mahshahr or the Lavan island, Rezaei said.

"Iran is also looking to trade 'other energy products', Rezaei said. "We will do it one by one and based on the country's interests."

Stage Set for Effective Development

A member of the Majlis Plan and Budget Commission, Mousalreza Servati said Saturday the Leader of the Islamic Revolution Ayatollah Seyyed Ali Khamenei due to his status as supreme jurist coordinates the three branches of power and has named each year after a certain development because of matters of expedience.

Ayatollah Khamenei named the new Iranian year as the year of Economic Jihad. He named the last Iranian year as the Year of Extra Work and Extra Diligence while he named the year before that the Year of Changing Consumption Patterns.

"In the past couple of years we had suitable plans based on our declared targets. The Fifth Development plan (2010-2015) was compiled given this approach while the Subsidy Reform Law was executed and Article 44 of the constitution was also implemented," said Servati, Fars News Agency reported.

He recalled that the present year (started March 21) was named the year of Economic Jihad in a bid to appeal to officialdom to optimize utilization of various resources.

"Economic sanctions imposed against the country throughout the years did not lead to backwardness and isolation of the country. In fact, given our innovations and also spread of knowledge the economic drive forward was accelerated. We hope that this year we take more lofty steps in line with the outlines of the Fifth Development Plan and Vision-2025. ... Iran accounts for only one percent of the population of the world while it is designated some 11 percent of scientific growth of the world, which is a direct consequence of the emphasis of the leader and the officials on expansion of science and technology," he noted.

He underlined that economic jihad in the current Iranian year can bring about employment and prosperity for all people of the country.

> Subsidy Reform Law

Spokesman of the Majlis Economic Commission Ali Mousavi said also on Saturday full implementation of the Subsidy Reform Law will mark a move for fulfilling economic jihad and improving the economy.

"Economic improvement needs a few



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focus points. The Subsidy Reform Law is just one of these pivots. Economic change started years before and it was expedited upon implementation of the Subsidy Reform Law. However, the officials should also heed other pivots for the economy to grow. Rectifying customs regulations and the banking and monetary system of the country is among fundamental changes required in the economic sector," he noted.

"The legislator expressed hope that in the year of Economic Jihad the economy would blossom.

He recalled that if the Subsidy Reform Law is executed properly, within the next five years large sums of money will be added to the national budget, which can in turn help the economy flourish.

"More Than 8% Growth Rate Needed

Secretary of State Expediency Council Mohsen Rezaei also on Saturday said in this year America and Europe are determined to continue their pressures against the Iranian people.

"Under such circumstances, Iran should

be alert and neutralize sanctions. We must transform the sanctions into a historic opportunity for advancement and convey to the world for the third time in the past three decades the grandeur of our cause. It is obvious that given this situation we need an economic revolution," he added.

He recalled that economic jihad implies that we need an economic growth rate of more than 8 percent in order to have a society wherein there is no poverty and unemployment and justice prevail.

Rezaei said there are a few obstacles for fulfillment of economic jihad.

"It seems that the west might step up its pressures against the country. This is while most of the people of the country are consumer oriented and are not engaged in the production sector. It should also be mentioned that the 200 years of backwardness during Qajar and Pahlavi eras stemmed from a colonial-based economic system. I must also say that the paradigms chosen for economic development have not been adequately effective.

In order to overcome all the said hurdles, we need an economic jihad so that the material and spiritual advancement of the country would be facilitated," he noted.

> Vision 2025 Targets

An official at the Cooperative Ministry said Saturday economic jihad requires identification of all potentials of the country on the basis of goals of Vision-2025.

"I personally believe procuring executive tools for developmental plans of the country in the economic sector, given the governing regional and global conditions, requires more efforts," added Ahmad Bigdeli Shamloo.

He emphasized that economic jihad should be fulfilled by various social strata and their participation in economic activities.

"The government's duty is to manage resources and oversee the executive process of developmental projects. This is while developmental projects should be implemented through public participation in all their facets," he noted.

Major Investments Planned in SP

Iranian Oil Minister Massoud Mir-Kazemi said the country has planned to make billions of dollars of investments in the giant South Pars oil and gas field in the current Iranian year (started on March 21).

The minister explained that his ministry plans to invest about \$60 billion in the upstream projects and almost \$30 billion in the downstream sector, Mehr News Agency reported.

He further added that an extra \$20 billion would be invested in the petrochemical projects of the giant field.

Mir-Kazemi said that the Oil Ministry plans to complete the developing projects of all remaining phases of the field within 35 months.

The Iranian oil minister also stressed the need for foreign investment in the site



to speed up the projects, saying that once all the phases of the South Pars come on stream, the field can produce 25 million cubic meters of natural gas and about 40,000 barrels of liquefied natural gas per day, making the country's annual revenue from the field hit \$110 billion.

The South Pars gas field is located in the Persian Gulf in the border zone between Iran and Qatar. The field's reserves are estimated at 14 trillion cubic meters of gas and 18 billion barrels of liquefied natural gas.

> OPEC Not to Increase Crude Output

Earlier, Iranian Oil Minister Mir-Kazemi said the Organization of the Petroleum Exporting Countries (OPEC) would not increase crude output.

The Iranian minister, who holds the OPEC rotating presidency, added that there is no need for an emergency meeting in the current situation as the market is balanced.

The official said OPEC only pumps about 30 million barrels of oil to the world markets per day—nearly a third of the global

oil production.

"Prices were pushed up by political crises in some countries of North Africa and the Persian Gulf as well as due to the global economic recovery," he said, adding that an extraordinary meeting is not necessary despite the price hike to over \$100 per barrel.

Mir-Kazemi went on to say that if member countries request an extraordinary meeting, OPEC is ready to organize it shortly.

He further named the devaluation of the US dollar as the reason behind the rise in crude prices. Crude oil prices have been on the rise due to unrest in Egypt and Bahrain, and fighting between Gaddafi's loyalists and revolutionary forces. US-led military intervention in Libya also caused further hikes in the prices.

First Gasoline Cargo Exported to Afghanistan

Iran has exported the first cargo of gasoline produced inside the country to Afghanistan, Iranian Deputy Oil Minister Alireza Zeighami announced.

"We have exported a 1,000-ton cargo of gasoline to Afghanistan in this Iranian year (started March 21), and we are amidst negotiations to export the second and third cargoes to the country," Zeighami told, Fars News Agency reported.

Iranian Oil Minister Massoud Mir-Kazemi had earlier this year issued the relevant permission for marketing the export of one billion liters of the country's produced gasoline by the end of the Iranian year (March 20).

Zeighami also announced that the

country was negotiating with two or three neighboring countries to sign contracts on the export of Iran's gasoline.

Iran increased its gasoline production after the United States and the European Union started approving their own unilateral sanctions against the Islamic Republic over its nuclear program, mostly targeting the country's energy and banking sectors, including a US boycott of gasoline supplies to Iran.

But Iran's self-sufficiency in gasoline production made Washington's plots fall flat. Iran boosted gasoline production so much that in September 2010, the country started exporting gasoline.

"The first shipment of Iran's gasoline

sell refined petroleum to Iran or help develop its refining capacity.

The bill, which later received the approval of the House of Representatives, said companies that continue to sell gasoline and other refined oil products to Iran would be banned from receiving Energy Department contracts to deliver crude to the US Strategic Petroleum Reserve. The bill was then signed into law by US President Barack Obama.

Iran has increased its gasoline production by 50 percentage points to become self-sufficient in the sector, Mir-Kazemi said at the time.

Iran's daily gasoline production has increased from 44 million to over 66 million liters, which means Tehran no longer needs to import gasoline, he added.