

Business and Politics in the Muslim World

Weekly Report on Iran
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As Regime Turns Up The Heat, Iran's Rafsanjani Abides

Ayatollah Ali Akbar Hashemi Rafsanjani is one of the most powerful men in Iran. As such, he is usually highly visible in his official functions, which include periodically leading Friday prayers at Tehran's mosque -- an event broadcast nationally on state TV.

But amid the street protests since Iran's disputed presidential election in June, Rafsanjani has all but vanished from the television screen.

Opposition leader Mir Hossein Musavi

Rafsanjani is also widely believed to feel personally threatened by Ahmadinejad, who ran on a populist platform in both presidential elections. Ahmadinejad regularly suggests that Rafsanjani and some other wealthy fixtures of the establishment are part of the country's corruption problem.

Rafsanjani with Supreme Leader Ayatollah Khamenei - February 2010

But the extent to which Rafsanjani can be successful finally depends upon the Islamic republic's ultimate power broker, Supreme Leader Ayatollah Ali Khamenei.

So far, Khamenei has also played a balancing game of his own. Sometimes he supports Ahmadinejad as the hard-line enforcer of the regime against street protests. At other times, he appears to warn Ahmadinejad not to overstep his presidential powers.

Russian FM: Country's position on Iran's nuclear program remains unchanged

Russia's position towards Iran's nuclear program remains unchanged and essentially comes to diplomatic solution, Russian Foreign Ministry Spokesman Andrei Nesterenko was quoted as saying by the Vesti television channel

"We do not believe that sanctions may address the Iranian problem," he said.

Ahmadinejad Suggests OIC Chief to Appoint Female Deputy

President Mahmoud Ahmadinejad on Wednesday suggested the head of the organization of the Islamic conference to appoint a woman as his deputy.

In a letter to the OIC Secretary General, Ekmeleddin Ihsanoglu, the president suggested him to appoint an "elite Muslim woman" as one of his deputies.

Judiciary Chief Says Country Stronger

Judiciary chief Sadeq Larijani said the post-election unrests that occurred in Tehran and some other cities helped the Islamic Republic become stronger compared to the past. Speaking in the last meeting of senior judicial officials in the outgoing Iranian year [ends March 20] in Tehran on Sunday, he described the year as "bittersweet", saying its events have strengthened the foundation of the Islamic Republic, ILNA reported.

“Although the harsh post-vote events hurt the public’s emotions, the active presence of the people [in defending the Islamic Republic] foiled the plots,” he stressed.

Defection of Iranian nuclear scientist Shahram Amiri 'a CIA coup'

An Iranian nuclear scientist who disappeared while on pilgrimage to Mecca last year has defected to the United States and is living and working there for the CIA, it was reported yesterday.

Revelations about Shahram Amiri’s defection came as the US and five other world powers, including China, were said to have reached agreement on drawing up new sanctions on Iran over its nuclear programme in the next few days.

U.S. says weapons from Iran sent to Afghanistan

Iran is having a growing, negative influence in its neighbor Afghanistan, U.S. Chairman of the Joint Chiefs of Staff Admiral Mike Mullen said on Wednesday, citing what he said was a shipment of Iranian arms to fighters.

India Rebuffs U.S. Calls to Shun Iran Gas Talks

The proposed route of the Iran-Pakistan-India 'Peace Pipeline' natural gas supply project

India has rejected a call from the U.S. to shun participation in gas talks with Iran, saying "energy security" is a priority for New Delhi.

Iran Reportedly Gets Parts Needed for Uranium Enrichment

Wall Street Journal says little-known Tehran firm linked to Islamic Republic's nuclear program was able to acquired special hardware despite sanctions The International Atomic Energy Agency (IAEA) and western intelligence agencies are probing how an Iranian firm linked to Tehran's nuclear program acquired special uranium enrichment hardware, despite sanctions intended to keep such equipment out of Iran.

Economic News

Iran Eyes \$200 Billion in Oil Investment

Iran is seeking \$200 billion in oil, gas and refining investments over five years to avoid a production decline, the country's oil minister said Wednesday. Speaking to reporters ahead of a meeting of the Organization of Petroleum Exporting Countries, Masoud Mir-Kazemi said: "For the next five years, we are now...planning seriously for investment of upstream and downstream [of] \$200 billion investment." Mr. Mir-Kazemi reiterated that sanctions won't affect those plans.

Iran Sees 8% Annual Growth in Industry

First Vice-President Mohammad-Reza Rahimi says the country has had eight percent increase in its industry in one year. Rahimi made the remark in his last press briefing in the current Iranian calendar year that ends on March 20 (the New Year starts on March 21).

Iran, Bahrain Discuss Energy Cooperation

Iranian Envoy to Manama Hossein Amir Abdollahian in a meeting with Bahraini Oil and Gas Minister Abd al-Husayn Mirza discussed ways to promote the two countries' technical cooperation in the oil and gas sectors.

Agro Deal Signed With JICA

Iran Agricultural Jihad Ministry and Japan International Cooperation Agency (JICA) signed an agreement to implement two new projects in Iran. According to the contract, starting next year, JICA will carry out initial studies for small scale and rural development plans to alleviate poverty in Southern Khorasan province, and implement cooperative management of forests and pastures in Chaharmahal-Bakhtiari province, IRNA reported.

OPEC Should Hold Output Steady

OPEC should hold its oil production targets steady, Iran's oil minister said on Monday, ahead of this week's OPEC meeting, reflecting the producer group's contentment with the current price of crude. Analysts and officials widely expect the 12-member Organization of the Petroleum Exporting Countries--supplier of roughly a third of the world's oil-- to leave its production targets unchanged during its March 17 meeting even as current world oil supplies far exceed demand.

Guardian Council Approves Iran Budget Bill

Iran's Guardian Council has approved the budget for the next Iranian year which allows the Iranian president to go ahead with his plan to cut costly state subsidies. According to Presstv, the budget bill was approved by the Iranian Parliament last week before being sent to the Guardian Council, whose approval is needed for the bill to become law.

Reliance not seen renewing Iran crude deal-sources

India's top privately run refiner Reliance Industries will not renew a contract to import crude oil from Iran for financial year 2010, two sources familiar with the supply deal said on Thursday.

The company did not purchase any Iranian crude in February and March, the sources said. Reliance, which operates the world's biggest refining complex, imported 90,000 barrels per day (bpd) of crude from the Islamic republic in 2009.

Minister: Targets in Industry Achieved

Minister of Industries and Mines, Ali Akbar Mehrabian said the country has achieved its target in the sector until the end of the fiscal year last year, adding that industries and mines make a 25 percent share in the national 20-year vision.

Social News

Iran Sends 7th Vessel to Aden

Iran's Navy has sent a vessel (the 7th one) to the Gulf of Aden to fight pirates and protect the country's shipping lines from piracy.

A number of Iran's Navy commanders as well as country's officials were in the southern region of Bandar-Abbas to attend the event.

Iran-Belarus Hold Joint Scientific Commission

Fourth meeting of Iran-Belarus scientific and technological joint commission was held in Minsk, Belarusian capital.

During the meeting, Deputy Science Minister Mohammad Mehdinejad-Nouri, heading the Iranian delegation, conferred with Kovic Nasni Kovic about the two countries' scientific cooperation, conducting joint scientific researches and exchange of universities' professors and students.

Iranian Students Urge Suspension of Ties with Sweden

After Swedish newspapers republished a sacrilegious cartoon of Prophet Muhammad (PBUH), Iranian Basij students call on the Foreign Ministry to suspend relations with Sweden. In a letter to Foreign Minister Manouchehr Mottaki, Basij students from eight main universities in Tehran urged Iranian diplomatic authorities to swiftly cut ties with Sweden until Swedish officials apologize for the move and take meaningful measures against the insensitive media sources.

Old Persian Miniatures of Shahnameh on Display at Azadi Tower

An exhibition of manuscripts and miniatures portraying Old Persian copies of Ferdowsi's Shahnameh opened Tuesday at the Islamic Revolution Cultural Center in Tehran's Azadi Tower.

The exhibition opened on the occasion of the registration of the Shahnameh millennium on UNESCO's 2010 calendar of events, said director of the center Abolfazl Hamrah.

2 Iranian Banks to Open Branches in Iraq

Iraq Central Bank approved applications by two Iranian banks for opening branches in the country, Ali Heidari, economic expert of Iranian embassy in Baghdad said yesterday.

Parsian and Karafarin banks are the two Iranian financial institutes which have already completed the necessary legal procedures, Heidari added.

Detailed Report

Political News

Iran dismisses Arab League statement over its 3 islands

Tehran has categorically rejected a statement by the Arab League repeating the UAE ownership claims over the three Iranian islands in the Persian Gulf. The statement over the three islands of Greater Tunb, Lesser Tunb, and Abu Musa is a clear interference in Iran's internal affairs, Foreign Ministry spokesman Ramin Mehmanparast said in a statement.

The three islands have been indisputable part of the Iranian territory throughout the history, Mehmanparast said, stressing that making such baseless statements will never have any impact on Iran's sovereignty over the islands.

Mehmanparast said direct talks between Iran and the UAE is the best way to clear up misunderstanding over Abu Musa Island and emphasized that "interference of a third party will not help clear up the misunderstanding".

The three Persian Gulf islands were historically owned by Iran but the exercise of colonialism by Britain led to the islands temporarily falling under British control in the 1800s.

The islands were then officially returned to Iran on November 30th 1971 through a legal process before the state of the United Arab Emirates was created and the Al Nahyan family assumed leadership

As Regime Turns Up The Heat, Iran's Rafsanjani Abides

Ali Akbar Hashemi Rafsanjani

Ayatollah Ali Akbar Hashemi Rafsanjani is one of the most powerful men in Iran. As such, he is usually highly visible in his official functions, which include periodically leading Friday prayers at Tehran's mosque -- an event broadcast nationally on state TV.

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But amid the street protests since Iran's disputed presidential election in June, Rafsanjani has all but vanished from the television screen.

His last appearance on television was during February's observance of the 31st anniversary of the Islamic Revolution, when he and other leaders urged people to take part in regime-sponsored rallies.

Prior to that, he had not been seen since July 17, when he famously acknowledged opposition "doubts" over the election results. That was as he led Friday prayers at the Tehran University mosque. The TV station edited out the crowd's chants of support and, since then, Rafsanjani -- who used to lead prayers once a month -- has been replaced on each occasion by a lower-level cleric.

Lives Made Difficult

Has Rafsanjani been banned from state television, or has he willingly foregone public appearances? No one can answer that question definitively today. But his absence, combined with other recent events, can't help but give the impression he is under siege.

That sense of siege, as well as repeated, brief arrests of Rafsanjani family members, is the latest sign of how deeply Iran's establishment has split over the Green Movement, even as protesters have been driven from the streets.

This month, security services arrested Rafsanjani's grandson, Hassan Lahooti, then released him again. A Revolutionary Court later accused Lahooti, whose phone was tapped, of criticizing the supreme leader.

Similarly, security services this month arrested and released Rafsanjani's brother-in-law, Hussein Marashi, on charges of corruption.

The arrests continue a pattern of harassment of Rafsanjani's family members that included detaining Rafsanjani's daughter at the height of the Green Movement protests. His daughter, Faiza Hashemi, had condemned the police's use of force against demonstrators.

In the face of such attacks, Rafsanjani -- who is famous for working behind the scenes -- has said little. But this month, he appeared on his personal website to deliver the closest he has come yet to a public rebuke of Iran's President Mahmud Ahmadinejad.

Using the carefully coded language of the Iranian clerical establishment, he asserted that "the voices of those with fossilized mentalities can be heard much more loudly today than they were during the Islamic Revolution."

At the same time, Rafsanjani used his appearance -- in which he wished Persians a happy Norouz (New Year) -- to all but accuse Ahmadinejad of seeking to destroy the republican

component of the Islamic republic.

That component includes elections and parliamentary representation intended to give the people a voice in theocratic Iran's governance.

"The imam [the Islamic republic's founder, Grand Ayatollah Ruhollah Khomeini] believed that people should have control," Rafsanjani said. "Many people said [during the founding of the Islamic republic] that it was too early [for democracy], but the imam said people should have control as soon as possible."

Rafsanjani's statements were all the more extraordinary for being "broadcast" through his personal website. That mirrors the way the Green Movement's leaders use their personal websites to challenge Ahmadinejad's election win.

A Protector

Ten months after the presidential election, observers describe Iran's political field ever more clearly as three distinct camps.

Said Shahsavandi lists the camps as those of Ahmadinejad, of Rafsanjani, and of the Green Movement. Once a high-ranking member of the Mujahedin Khalq Organization, Shahsavandi later denounced the MKO and now works as an author and journalist in Germany. He says Ahmadinejad's camp -- which he calls the "military" camp for its close ties to the elite Islamic Revolutionary Guards Corps -- is trying to neutralize Rafsanjani.

"The military camp is working to neutralize Mr. Rafsanjani, and the recent arrests of Mr. Rafsanjani's grandchild and his brother-in-law are not so irrelevant to this issue," Shahsavandi says. "They are going to tighten the ring surrounded around Mr. Rafsanjani."

The reason, he says, is Rafsanjani's efforts to protect the Green Movement -- whose leaders are also prominent members of the establishment -- from being eliminated by Ahmadinejad's hard-line camp.

"It is true that the leadership of the Green Movement has been in the hands of others, but Mr. Rafsanjani has been a shield for the Green Movement," Shahsavandi says. "If not for his own personal stature, the leaders of the Green Movement would be arrested by now."

Rafsanjani's motives for acting as a "shield" for the Green Movement have been much discussed ever since that alliance of reform-minded forces emerged.

He is widely believed to have provided funds to the presidential campaign of the Green Movement's key leader, Mir Hossein Musavi, partly to avenge his own loss to Ahmadinejad in the presidential race of 2005.

Opposition leader Mir Hossein Musavi

Rafsanjani is also widely believed to feel personally threatened by Ahmadinejad, who ran on a populist platform in both presidential elections. Ahmadinejad regularly suggests that Rafsanjani and some other wealthy fixtures of the establishment are part of the country's corruption problem.

High-Wire Act

But many Iranian analysts believe that Rafsanjani may have a more important reason for protecting the leaders of the Green Movement who are also establishment figures, such as Musavi and Mehdi Karrubi. That is that Rafsanjani appears to believe that without these establishment figureheads, the Green Movement could evolve into a direct threat to Islamic revolution.

"This is really the important point," Shamsavandi says. "I mentioned the role of shield that Mr. Rafsanjani plays for the Green Movement, but he plays the same role for the current political structure in Iran."

Other analysts also see Rafsanjani trying to balance two opposing forces.

Sir Richard Dalton, who was Britain's ambassador to Iran from 2003 to 2006 and is now a fellow at London-based Chatham House, says Rafsanjani "recognizes that the Islamic republic's day-to-day business must be carried on, that -- rightly or wrongly -- the government that has been in place since the [presidential] election in June is in charge of the levers of the country and that it falls to their responsibility, and that if matters are to be taken forward in a desirable direction then people need to work together."

"So [Rafsanjani] is willing to call for national unity," Dalton says, "but at the same time he is calling for greater respect for those who don't agree with everything the government does."

In this balancing act, Rafsanjani's chief levers are the great status he enjoys as head of two of the Islamic regime's most powerful bodies. One is the Expediency Council, which mediates in disputes between the executive and legislative branches. The other is the Assembly of Experts, which elects the supreme leader.

Rafsanjani with Supreme Leader Ayatollah Khamenei - February 2010

But the extent to which Rafsanjani can be successful finally depends upon the Islamic republic's ultimate power broker, Supreme Leader Ayatollah Ali Khamenei.

So far, Khamenei has also played a balancing game of his own. Sometimes he supports

Ahmadinejad as the hard-line enforcer of the regime against street protests. At other times, he appears to warn Ahmadinejad not to overstep his presidential powers.

Rafsanjani's apparent exile from the state television screen may be a case in point.

Speaking about the state television, which is controlled by close Ahmadinejad ally Ezzatollah Zarghami, Khamenei recently suggested he does not approve of all it does.

"Do not think that because I appoint the head of state TV it means that I check every single one of its programs," the supreme leader said. "No, it is not like that. I do not agree with many of state TV's programs."

Whether Khamenei's cryptic statement is a criticism of state television's treatment of Rafsanjani, its handling of news about the Green Movement, or something else entirely is impossible for anyone outside of the regime's own inner circle to know.

But it clearly is part of the delicate game of trying to keep the establishment unified as the Islamic republic faces the greatest political turmoil in its 30-year history. And that game, as the increasing tensions between Ahmadinejad and Rafsanjani shows, is only getting harder

Russian FM: Country's position on Iran's nuclear program remains unchanged

Russia's position towards Iran's nuclear program remains unchanged and essentially comes to diplomatic solution, Russian Foreign Ministry Spokesman Andrei Nesterenko was quoted as saying by the Vesti television channel

"We do not believe that sanctions may address the Iranian problem," he said.

"Sanctions should be" intelligent "and should not punish the whole country," he said.

"These measures should be focused, pointed and aimed to preserve the nuclear nonproliferation regime.

Ahmadinejad Suggests OIC Chief to Appoint Female Deputy

President Mahmoud Ahmadinejad on Wednesday suggested the head of the organization of the Islamic conference to appoint a woman as his deputy.

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In a letter to the OIC Secretary General, Ekmeleddin Ihsanoglu, the president suggested him to appoint an “elite Muslim woman” as one of his deputies.

President Ahmadinejad said that he made the suggestion regarding the progressive view of Islam about women and their major role in development of Muslim societies.

He added that he made the proposal in line with the OIC approvals on promotion of women’s status and role as half of the Muslim world’s population.

He added that choosing a female deputy for the OIC chief would be a major step towards restoring women’s rights and boosting their capabilities.

That would also indicate the OIC support for strengthening Women’s status in the society, stressed the president

Judiciary Chief Says Country Stronger

Judiciary chief Sadeq Larijani said the post-election unrests that occurred in Tehran and some other cities helped the Islamic Republic become stronger compared to the past. Speaking in the last meeting of senior judicial officials in the outgoing Iranian year [ends March 20] in Tehran on Sunday, he described the year as “bittersweet”, saying its events have strengthened the foundation of the Islamic Republic, ILNA reported. “Although the harsh post-vote events hurt the public’s emotions, the active presence of the people [in defending the Islamic Republic] foiled the plots,” he stressed. Iran has widely blamed the west – particularly the US, Britain and France – for instigating and supporting the post-election violence. At least 40 people were killed in the unrests and dozens were arrested including senior former government officials, pro-reform activists, protestors and journalists.

Defection of Iranian nuclear scientist Shahram Amiri 'a CIA coup'

An Iranian nuclear scientist who disappeared while on pilgrimage to Mecca last year has defected to the United States and is living and working there for the CIA, it was reported yesterday.

Revelations about Shahram Amiri’s defection came as the US and five other world powers, including China, were said to have reached agreement on drawing up new sanctions on Iran over its nuclear programme in the next few days.

The report on ABC News described the defection as “an intelligence coup,” and claimed that information gleaned from debriefing Dr Amiri had added detail and confirmation to existing CIA intelligence assessments about the Iranian nuclear programme. It also increased the growing international pressure on Tehran.

Dr Amiri, a nuclear scientist at Tehran’s Malek Ashtar University, went missing in June last year three days after arriving in Saudi Arabia for the annual haj. Details of his disappearance emerged months later when Iran accused the US of abducting him and

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lodged a formal protest against Washington with the United Nations.

Malek Ashtar University has been identified by the UN as a nuclear research facility overseen by Iran's Revolutionary Guard Corps, the guardians of its clandestine nuclear weapons programme.

Documents from within the programme obtained by The Times last year detailed the outsourcing of nuclear work to trusted university departments.

ABC reported that Dr Amiri's defection was part of a CIA operation to woo Iranian nuclear scientists with family contacts in the US. The CIA was said to have approached him through an intermediary in Iran who made the offer of resettlement in the US. A CIA spokesman refused to comment on the report.

The most senior Iranian believed to have defected is Ali Reza Asghari, a former Revolutionary Guard brigadier general and Deputy Defence Minister, who vanished on a trip to Turkey in 2007. His name also appeared with Dr Amiri's on a list of Iranians allegedly kidnapped by the US submitted by Tehran to the UN.

Mr Asghari was said to be the most senior military officer overseeing Iran's nuclear weapons programme. Western intelligence sources say that the programme is compartmentalised to prevent collapse in case of defections or deaths but defectors may still be able to provide key information on nuclear projects.

The timing of Dr Amiri's disappearance raised speculation that he provided the final jigsaw pieces required to confirm the clandestine construction of a second uranium enrichment plant, Fordow, near the holy city of Qom. Iran told the International Atomic Energy Agency (IAEA) about Fordow in September, days before Washington publicly revealed it.

Western intelligence sources said that Tehran only acted because it realised the secrecy surrounding Fordow had been compromised. The revelation prompted a brief era of co-operation between Tehran and the E3 plus 3, the group comprising the US, China, Russia, Britain, France and Germany, which negotiates with Iran on the international community's behalf. However, Tehran rapidly failed to live up to its promises and a string of provocative declarations followed, including the first IAEA report citing evidence of nuclear weapons work at present.

Hillary Clinton, the US Secretary of State, has pointed to the recent string of disclosures over Iran's nuclear programme as evidence of the need for sanctions. She said yesterday that six world powers, including Russia and China, were united in talks on a new round of sanctions and would be engaging in discussions with other UN Security Council members in the coming weeks

U.S. says weapons from Iran sent to Afghanistan

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Iran is having a growing, negative influence in its neighbor Afghanistan, U.S. Chairman of the Joint Chiefs of Staff Admiral Mike Mullen said on Wednesday, citing what he said was a shipment of Iranian arms to fighters.

The United States has frequently accused Iran of providing some assistance to insurgents in Afghanistan, although Washington says it has not been nearly as important a factor as in Iraq, Iran's other neighbor where U.S. troops are waging war.

"Iran is working to increase its influence in the area. On the one hand, that's not surprising, she is a neighbor state, a neighbor country. On the other hand, the influence I see is all too often negative," Mullen told a news conference during a visit to Kabul, in response to a question about Tehran's influence.

"I was advised last night about a significant shipment of weapons from Iran into Kandahar, for example," Mullen said.

"I have seen them over the last several years -- the last couple of years anyway, certainly be more than just interested, provide some capabilities," Mullen added. "I am also concerned that that desire to be influential is increasing."

Pentagon officials declined to give further details about the Iranian arms shipment. Asked later if it represented an important development, Mullen said: "I was taken aback. It wasn't insignificant."

Tehran denies supporting militant groups opposed to President Hamid Karzai's government, and blames the presence of Western troops in Afghanistan for causing instability.

Mainly Shi'ite Muslim Iran was strongly opposed to the strict Sunni Muslim Taliban when they ruled Afghanistan from 1996-2001.

Iran has had rapidly growing economic influence in Afghanistan, especially in the West, where cross-border trade is brisk. A dialect of Iran's Farsi language is one of two state languages in Afghanistan, and Iran hosted millions of Afghan refugees during decades of war.

India Rebuffs U.S. Calls to Shun Iran Gas Talks

The proposed route of the Iran-Pakistan-India 'Peace Pipeline' natural gas supply project

India has rejected a call from the U.S. to shun participation in gas talks with Iran, saying "energy security" is a priority for New Delhi.

Iran and Pakistan signed a deal in March to construct a multi-billion dollar natural gas pipeline connecting the two neighboring countries — a project that was strongly opposed by the US.

The deal is part of the long-delayed 7.5-billion-dollar Iran-Pakistan-India (IPI) gas pipeline project.

"We have no comments to make on what the U.S. official has said. But energy security is of prime concern to the government, and the India-Pakistan-Iran pipeline has to be seen in this context," The Hindustan Times quoted an official with India's foreign ministry as saying.

"We are in discussions for thrashing out the two issues. One is pricing of the gas, the other is the security of the pipeline that passes through Pakistan," the official added.

Earlier, India expressed its willingness to resume talks with Iran on the project and also to discuss with Iran an alternative sea-bed pipeline from that would bypass Pakistan.

"We had initiated the trilateral talks in 2007 among the three governments and such discussions are ongoing," Minister for Petroleum and Natural Gas Murli Deora told reporters at the Consulate General of India in New York.

Iran Reportedly Gets Parts Needed for Uranium Enrichment

Wall Street Journal says little-known Tehran firm linked to Islamic Republic's nuclear program was able to acquire special hardware despite sanctions. The International Atomic Energy Agency (IAEA) and western intelligence agencies are probing how an Iranian firm linked to Tehran's nuclear program acquired special uranium enrichment hardware, despite sanctions intended to keep such equipment out of Iran.

According to the Wall Street Journal, Javedan Mehr Toos, an Iranian procurement firm linked to the Islamic Republic's enrichment program, has been able to acquire critical valves and vacuum gauges made by a French company formally owned by U.S. industrial conglomerate Tyco International.

The International Atomic Energy Agency and Western authorities are still trying to determine exactly how the valves and gauges in question reached Iran.

Both French and U.S. firms said they were unfamiliar with such a deal, but an email sent to the IAEA led to the conclusion that the parts were transferred to Iran via a Shanghai-based company.

An investigator familiar with the IAEA investigation said Iran has so far made about 10 known attempts to acquire the valves used in uranium enrichment, adding "some deliveries got through, others didn't."

Western officials said the firm – Javedan Mehr Toos – has been trying to procure nuclear materials on behalf of the Kalaye Electric Company, an Iranian firm involved in centrifuge research and development that is part of the Atomic Energy Organization of Iran, since last year.

The company also tried to acquire magnets used in centrifuges systems during uranium enrichment.

It is unknown how many valves Javedan Mehr Toos acquired or the extent to which they represent an important advance in Tehran's ultimate ability to enrich uranium, a key step in developing a nuclear weapon.

Economic News

Iran Eyes \$200 Billion in Oil Investment

Iran is seeking \$200 billion in oil, gas and refining investments over five years to avoid a production decline, the country's oil minister said Wednesday. Speaking to reporters ahead of a meeting of the Organization of Petroleum Exporting Countries, Masoud Mir-Kazemi said: "For the next five years, we are now...planning seriously for investment of upstream and downstream [of] \$200 billion investment." Mr. Mir-Kazemi reiterated that sanctions won't affect those plans.

Given the depletion of existing oil and gas fields, the minister said the investments will "introduce a degree, a percentage of efficiency."

"Therefore a step should be taken so that investment will be also absorbed by this process of...increasing production," Mr. Mir-Kazemi said. "It's about 31 years since Iran got independence and some countries do not like it," he said in reference to western sanctions imposed on the Islamic republic. "These kind of sanctions will not have any effect on it [investment]."

Mr. Mir-Kazemi reiterated that Iranian companies could sustain the investment if foreign companies fail to sign up. "Today Iran has all the necessary technology," he said. "If other countries are not interested in entering into negotiations and contracts, we do have Iranian companies that have this potential." In this case, "for us it will cost less," he said

Iran Sees 8% Annual Growth in Industry

First Vice-President Mohammad-Reza Rahimi says the country has had eight percent increase in its industry in one year. Rahimi made the remark in his last press briefing in the current Iranian calendar year that ends on March 20 (the New Year starts on March 21).

Despite economic recession in the industrial world, Iran has enjoyed industrial growth, he said

Iran, Bahrain Discuss Energy Cooperation

Iranian Envoy to Manama Hossein Amir Abdollahian in a meeting with Bahraini Oil and Gas Minister Abd al-Husayn Mirza discussed ways to promote the two countries' technical cooperation in the oil and gas sectors.

During the meeting, Mirza referred to the age-old relations between the two friendly and brotherly countries and the two nations' brotherly bonds, and urged for further expansion of relations in all the various fields.

Abdollahian, for his part, announced Iran's readiness to develop and consolidate relations in all fields, including cooperation between the two countries' oil ministries.

Referring to the proposals raised by Iranian President Mahmoud Ahmadinejad during a recent summit of the Persian Gulf Cooperation Council (PGCC) in Doha, he underlined the importance of all-out cooperation between the two countries, specially in economic fields and in the oil and gas sectors.

Iran has recently made continued and intensive efforts to boost energy cooperation with the Persian Gulf Arab states

Agro Deal Signed With JICA

Iran Agricultural Jihad Ministry and Japan International Cooperation Agency (JICA) signed an agreement to implement two new projects in Iran.

According to the contract, starting next year, JICA will carry out initial studies for small scale and rural development plans to alleviate poverty in Southern Khorasan province, and implement cooperative management of forests and pastures in Chaharmahal-Bakhtiari province, IRNA reported.

The international affairs director of the ministry expressed satisfaction with the outcome of former JICA projects in Haraz and Golestan, adding, "We hope to create an example with these projects that will be imitated in other regions."

Janali Behzad-Nasab further said these projects have resulted in cooperative work, technical accomplishments and the transfer of Japanese specialists' methodology to Iranian experts.

OPEC Should Hold Output Steady

OPEC should hold its oil production targets steady, Iran's oil minister said on Monday, ahead of this week's OPEC meeting, reflecting the producer group's contentment with the current price of crude. Analysts and officials widely expect the 12-member Organization of the Petroleum Exporting Countries--supplier of roughly a third of the

world's oil-- to leave its production targets unchanged during its March 17 meeting even as current world oil supplies far exceed demand.

"Iran's viewpoint is that the production should not be increased, and no decision should be made for any change in production in OPEC," Masoud Mirkazemi told reporters on the anniversary of the 1951 nationalization of the country's oil industry, AP wrote.

OPEC has left its production quotas unchanged for over a year, opting to stay the course after its series of 4.2 million barrel per day reductions in late 2008 help engineer a rebound in then-plummeting crude prices. Benchmark crude for April delivery was near \$81 per barrel in electronic trading Monday on the New York Mercantile Exchange. Several OPEC members have echoed Saudi Arabia's views that oil in the range of \$75 per barrel was fair for both consumer and producer nations.

In addition, the group has been reluctant to change its quotas, fearing that another round of output cuts-- despite excess supply of oil in the market-- would undermine the fragile global economic recovery currently taking place.

On Sunday, Iran's OPEC governor, Mohammad Ali Khatibi, was quoted on the Oil Ministry's Web site as saying that OPEC members should push for greater compliance with their existing quotas, even though current supply far exceeds demand.

The group's compliance had dropped to about 55 percent by last month--a decline that came even after OPEC, during its last few meetings, stressed the need for greater adherence with output targets.

Mirkazemi signaled that Iran favored crude at about \$80 per barrel, and indicated that the group expects that price to hold for the remainder of the year.

OPEC Supply

OPEC heavyweight Saudi Arabia has set the tone for this week's meeting of the 12-nation production group with an unusually clear statement--expect no change.

"We're extremely happy with the market," Saudi oil minister Ali Naimi told reporters late Monday. "It is in a very happy situation."

Iran and Venezuela traditionally are the greatest advocates of tight OPEC supply. But ahead of their meeting there is informal unanimity among OPEC oil ministers that --with the world's economic recovery feeble at best and crude prices at preferred levels--it's best not to rock the boat.

That means the ministers will likely agree to maintain OPEC's formal production target, now at 25 million barrels a day, a benchmark set over one year ago

Guardian Council Approves Iran Budget Bill

Iran's Guardian Council has approved the budget for the next Iranian year which allows the Iranian president to go ahead with his plan to cut costly state subsidies.

According to Presstv, the budget bill was approved by the Iranian Parliament last week before being sent to the Guardian Council, whose approval is needed for the bill to become law.

President Ahmadinejad had proposed saving \$40 billion by eliminating subsidies but the Parliament approved only half of that amount.

"The Guardian Council has reviewed the modifications on the next year's budget bill sent by Parliament," said Abbas Ali Kadkhodaei, spokesman for the top legislative watchdog.

“It was approved by the Council and sent back to parliament to submit to the government for implementation.”

Based on the \$347-billion budget, the government plans to start a major plan to scrap costly subsidies on energy and goods, reducing government expenditure.

The budget for next year, which begins on March 21, includes plans to phase out subsidies on food and energy which analysts believe will stoke up the inflation that currently stands at 8.9 percent.

Reliance not seen renewing Iran crude deal-sources

India's top privately run refiner Reliance Industries will not renew a contract to import crude oil from Iran for financial year 2010, two sources familiar with the supply deal said on Thursday.

The company did not purchase any Iranian crude in February and March, the sources said. Reliance, which operates the world's biggest refining complex, imported 90,000 barrels per day (bpd) of crude from the Islamic republic in 2009.

Reliance did not respond to Reuters enquiries on the move, while Iranian officials declined to comment.

It is not immediately clear why Reliance is not renewing its annual import deal with the world's fifth-largest oil exporter but traders said it could be due to disagreement over prices at a time the refiner has easy access to other competitive grades.

Political pressure from the United States and its allies, who are seeking to force Iran to stop its nuclear programme with a tougher sanctions regime, may be another reason, traders said.

This comes as Japan's imports of Iranian crude in 2010 are expected to fall 11 percent on year to the lowest level in 17 years, industry sources say, as lower consumption, high prices, and political pressure soften demand for crude from the OPEC producer.

Reliance's sophisticated refining complex at Jamnagar in the western Indian state of Gujarat can process 1.24 million barrels per day (bpd) of crude as diverse as light West African to heavy sour Middle Eastern grades, allowing to switch suppliers to take advantage of the lowest-priced crudes.

The wide acceptance among Asian refiners of Russia's new ESPO Blend crude offers another supply option to Reliance, traders added.

"It could be that they are not happy with the general reluctance of NIOC to drop their prices especially with more attractive competing grades like Russia's ESPO coming onto the market," an Asian-based crude trader said.

Crude from Russia's East Siberian-Pacific Ocean (ESPO) is gaining favour among refiners in Asia because of its attractive price and quality versus the heavier sour crudes

Weekly report on Iran

from the Middle East.

"Reliance has been importing mainly Soroush and Nowruz (crude grades) from Iran, this is very heavy and extremely sour," a trader said.

"If they can get a crude that is lighter and less sour and pay less, why would they not do it, at the end of the day they want to maximise their yields."

ESPO's API gravity is around 34 degrees, with sulphur content pegged at around 0.6 percent, whereas Iran's Soroush and Nowruz have a sulphur content of up to 3.5 percent with the API measured at about 18 to 19. API is a measure of how light or heavy a crude is in relation to water.

IRAN SANCTIONS

"There is some politics involved with this as well, and at some level there seems to be a general move by people to distance themselves away from dependence on Iran as a crude supplier," a trader said.

Six world powers, including China, agreed on Wednesday to start drawing up new sanctions on Iran over its nuclear plan in the next few days, the U.S. ambassador to the United Nations said.

Iran rejects Western claims that the goal of its nuclear programme is to develop the capability to produce atomic weapons, insisting that it is for electricity generation.

U.S. politicians are also working on legislation to slap sanctions on suppliers of fuel to Iran as a means of piling pressure on the OPEC member.

The halt in Iranian oil supplies to Reliance and slowdown to Japan comes as the Islamic republic continues to produce above its OPEC quota, with compliance among all OPEC members at just 50 percent of agreed cutbacks.

In March Iran produced 3.8 million bpd of crude, versus its quota of 3.34 million bpd, and traders said that Tehran is likely to increase its exports to China, which overtook Japan as Iran's top crude buyer in 2009, to absorb its excess output.

China has stood firm on its stance that sanctions are not an effective tool to solve diplomatic disputes.

Reliance stopped shipping gasoline to Iran in May 2009 due to U.S. pressure, as it looked to increase its market share for its fuel in the United States.

Last month, it was reported that oil trading firms Trafigura and Vitol have halted gasoline sales to Iran

Minister: Targets in Industry Achieved

Minister of Industries and Mines, Ali Akbar Mehrabian said the country has achieved its target in the sector until the end of the fiscal year last year, adding that industries and mines make a 25 percent share in the national 20-year vision.

He made the remarks in the opening ceremony of an iron ore pellets factory in Kerman province yesterday.

The Minister said the sector has a 67 percent growth share in the overall annual growth last year.

He also said that industrial investment in the country in the past five years was 130 thousand billion rials, showing a 0.4 percent growth.

The minister then noted that in light of newer production capacities, the country's industrial output would grow progressively within the next few years. Mehrabian also forecast that the country would experience a leap in exports in the coming years.

Social News

Iran Sends 7th Vessel to Aden

Iran's Navy has sent a vessel (the 7th one) to the Gulf of Aden to fight pirates and protect the country's shipping lines from piracy.

A number of Iran's Navy commanders as well as country's officials were in the southern region of Bandar-Abbas to attend the event.

The Gulf of Aden is located in the Arabian Sea between Yemen on the south coast of the Arabian Peninsula and Somaliland in the Horn of Africa.

In the northwest, it connects with the Red Sea through the Bab-el-Mandeb strait, which is about 20 miles wide.

Iran-Belarus Hold Joint Scientific Commission

Fourth meeting of Iran-Belarus scientific and technological joint commission was held in Minsk, Belarusian capital.

During the meeting, Deputy Science Minister Mohammad Mehdinejad-Nouri, heading the Iranian delegation, conferred with Kovic Nasni Kovic about the two countries' scientific cooperation, conducting joint scientific researches and exchange of universities' professors and students.

On the sidelines of the meeting, the delegation visited the country's different scientific sites such as physics, biotechnology and informatics centers as well as science and BG universities.

It is scheduled that following experts discussions, the two countries sign several scientific cooperation agreements in the fields of aerospace, optic, laser and medical sciences

Iranian Students Urge Suspension of Ties with Sweden

After Swedish newspapers republished a sacrilegious cartoon of Prophet Muhammad (PBUH), Iranian Basij students call on the Foreign Ministry to suspend relations with Sweden. In a letter to Foreign Minister Manouchehr Mottaki, Basij students from eight main universities in Tehran urged Iranian diplomatic authorities to swiftly cut ties with Sweden until Swedish officials apologize for the move and take meaningful measures against the insensitive media sources.

The letter said that Muslims have been suffering from such biased publicity by certain Western countries in the name of freedom and democracy. It described the move as a Western trend backed by the 'international Zionism' in recent years and added that its aim was to violate the sanctity of Prophet Muhammad (PBUH).

"We are witnessing the repeat of this nasty conspiracy by certain Swedish newspapers. They hold a grudge against the greatness of Islam and Qur'an," it said.

On March 10, the Swedish daily Dagens Nyheter reprinted a sacrilegious cartoon of Prophet Muhammad (PBUH) by Swedish caricaturist Lars Vilks after the Irish police arrested seven suspects in an alleged plot to assassinate Vilks.

The cartoons were first published in Sweden in 2007, prompting worldwide protests by Muslims.

"It is surprising and regrettable that the government of the Islamic Republic keeps questionable silence on the case. This silence is very hard and painful for those who love Prophet Muhammad (PBUH)," said the university students in their letter

2 Iranian Banks to Open Branches in Iraq

Iraq Central Bank approved applications by two Iranian banks for opening branches in the country, Ali Heidari, economic expert of Iranian embassy in Baghdad said yesterday.

Parsian and Karafarin banks are the two Iranian financial institutes which have already completed the necessary legal procedures, Heidari added.

They have one month to announce their capital and select an appropriate location for their branches inside Iraq

Old Persian Miniatures of Shahnameh on Display at Azadi Tower

An exhibition of manuscripts and miniatures portraying Old Persian copies of Ferdowsi's Shahnameh opened Tuesday at the Islamic Revolution Cultural Center in Tehran's Azadi Tower.

The exhibition opened on the occasion of the registration of the Shahnameh millennium on UNESCO's 2010 calendar of events, said director of the center Abolfazl Hamrah.

The exhibit contains images of the manuscripts and miniature works preserved in several museums in foreign countries. Also included are calligraphy works and typographies focusing on Shahnameh.

As documents reveal, the March 16 coincides with the final day when Shahnameh was completed 1000 years ago," Mohammad Qorbanpur, an official from Iran's Ferdowsi Foundation said at the session held before the opening of the exhibit on Tuesday.

This day has been commemorated with the collaboration of Ferdowsi Foundation and several other foundations and organizations, he added.

"Ferdowsi is of tremendous importance for our country and holding these ceremonies and programs are necessary to help preserve our national identity," he said.

There are also several other programs arranged in other countries to introduce Naqqali, a dramatic performance accompanied by traditional Iranian music and the Pardehkhani (curtain-reading) performance with the central theme of Shahnameh, he remarked