

ECONOMIC FOCUS

The Official Publication of the British-Iranian Chamber of Commerce

Winter 2009 - Issue No. 10



HM Ambassador Simon Gass CMG with Rt. Hon. Lord Lamont of Lerwick

In this issue of Economic Focus

- Iranian Economy Report
- Autumn Reception/AGM Photos
- Iran/UK Automotive Overviews

RAK Free Trade Zone: world-class business hub

Ras Al Khaimah, only 45 minutes from business hub Dubai, is fast becoming the investment destination by choice of investors from across the globe.

With access to over 2 billion consumers and awarded "Best Emerging Free Zone" for the second year running, Ras Al Khaimah Free Trade Zone (RAKFTZ) has already developed into a world-class business hub with state-of-the-art infrastructure and hi-tech facilities for industrial growth and development in less than ten years of its inception.

The Free Zone, offers customized support services to its investors. It is one of the most cost-effective free zones in the region and, most importantly, it offers an absolutely trouble-free, customer-friendly environment, which is very important for the success of any enterprise.

RAK FTZ through its marketing and awareness campaign has created a name for itself known around the world. It has registered more than 4,500 companies that originate from 106 countries.

The Free Trade Zone Authority has created a system of four unique Free Zone Parks that will suit and serve every investor according to their requirements:

- The Business Park
- The Industrial Park
- The Technology Park
- Al Ghail Industrial Park

Situated at different locations each Park caters to specific business interests and requirements of investors.

Free Zone parks cater to investors' specific requirements

The RAKFTZ Business Park

The Business Park is located in the central business district of the city, close to the modern RAK Exhibition Centre, Hilton Hotel & Beach Club and Al Manar Shopping & Entertainment Mall.

The RAK Business Centre is a free zone facility which gives investors an opportunity to start a business with no hassles. Some of the key features of the RAK Business Centre are the furnished, fully-functional and ready-to-use offices, flexi-offices (shared office) & flexi-desks (shared desk). All are offered at highly cost-effective rates.

The RAKFTZ Industrial Park

Located along the coastal road, approximately 15km north of the city and adjacent to Hulaylah Island, about 6km from Saqr Port, covering an area of 300 hectares. Ideal for construction, heavy industries and warehousing.

Plot sizes are provided to suit individual requirements and are fully serviced



with water, electricity and communications.

Facilities include on-site employee accommodation, custom offices, operations supportive services centre and other administrative and service support centres located within the Park.

The RAKFTZ Technology Park

Located south of the city close to the Emirates Road Ras Al Khaimah International Airport.

Covering an area of 100 hectares, it is located opposite 5 Star resorts with an 18-hole golf course (Al Hamra Village &

resort). It is sited in a rapidly expanding area devoted to light industries and automated manufacturing and capital intensive quality lifestyle projects.

The Al Ghail Industrial Park

Covers an area of 400 hectares and caters for heavy industries that deal with the construction market such as steel fabrication.

It has a strategic location since it is close to Sharjah and Fujairah. The park is still under development and contains different size of plots that suits various companies' sizes.

Types of licenses issued by RAKFTZ

• Commercial - General Trading License:

Import, export, distribution, storage or warehousing of items specified on the License. Allows for more than seven different product lines

• Commercial License - Limited Activities

Import, export, distribution, storage or warehousing of items specified on the License. Maximum limit is seven similar product lines or two different categories. (Business Specific License)

• Industrial License

Import of raw materials, manufacturing,

processing, assembling, packaging, and exporting finished products. Feasibility and environmental impact studies and clearance from RAK FTZ are required

• Consulting and Service License

Offering consulting services in management, investment, economics, industrial development, marketing, and related subjects

Special Activities upon the approval of RAKFTZ's Management

For details of documents required, please visit our website

RAKFTZ contacts

Ras Al Khaimah
Free Trade Zone

PO Box 10055,
Ras Al Khaimah, UAE

Tel: +971 7 2041014

Fax: +971 7 2077120

Toll free: 80072539

iran@rakftz.com

www.rakftz.com

4.....Message from your Editor-in-Chief



UK/Iran Trade Statistics.....5

6-9.....AGM with HM Ambassador, Simon Gass CMG



Facts Travel/bmi Discount.....10

11.....Export License Application Delays



Iranian Economy Overview.....12-13

14-16.....Future World Oil Supply



Iran Auto Overview.....18-19

20-21.....UK Auto Overview



Photo Album: Autumn Reception 2009.....22-27

30.....BICC Members Diary 2010

The **Economic Focus** is the official publication of the British-Iranian Chamber of Commerce.

Editorial Team:

Publisher/Editor-in-Chief:
Yousef Daneshvar OBE

Editor:
Asmha Hussain

Editorial Director:
Martin Johnston

Magazine Photographer:
Siamak Nikoopour

Events Co-ordinator:
Mitra Taheri

Editorial Consultant:
Dr Cyrus Mehdizadeh

The British-Iranian Chamber of Commerce
NIOC House
No. 4 Victoria Street
London, SW1H 0NE

Tel: 020 7233 4441
Fax: 020 7233 4442

Email: asmhah@aol.com
Web: www.bicc.org.uk

Cover designed by Asmha Hussain

The Economic Focus is printed on behalf of the British-Iranian Chamber of Commerce by the ASK Group and is distributed free of charge. Although all effort is made to ensure the accuracy of information published in the magazine, the Chamber nor the Printers can be held responsible for any errors or inaccuracies printed. The content of the Economic Focus is only for your general information and use and is not intended to address your particular requirements. In particular, the Economic Focus does not constitute any form of advice, recommendation, representation, endorsement or arrangement by BICC and is not intended to be relied upon by readers in making (or refraining from making) any specific investment or other decisions. Appropriate independent advice should be obtained before making any such decision. Any agreements, transactions or other arrangements made between you and any third party named or advertising in the Economic Focus are at your sole risk and responsibility. Although reasonable effort is made by the British-Iranian Chamber of Commerce the information published may not necessarily be current at the time of printing as this is not a publication of "real time" information and may have ceased to be current by the time of publication and therefore not entirely accurate. The British-Iranian Chamber of Commerce and ASK Group do not accept responsibility for updating any information published or any reliance by you on the content of the Economic Focus. The views in this publication are not necessarily those endorsed by the British-Iranian Chamber of Commerce. Any advertisements printed in the Economic Focus does not imply endorsement of the product or services of the advertising company. No part of this publication may be reproduced in any format (including electronic), copied or sold without prior written permission from the British-Iranian Chamber of Commerce which can be obtained by writing to applying to The Director General at directorgeneral@bicc.org.uk.

A HAPPY NEW YEAR TO ALL OUR READERS



"We are pleased to have resolved specific problems with export licenses for four of our members"

It has been a challenging year for business relations between Iran and the UK. Much of the Chambers time has been spent in supporting Export licence applications of Members for exports to Iran submitted to the Export Control Organisation (ECO). We have been able to assist in resolving specific problems with Export license applications for four of our Members and are continuing to help others with their applications. If Members have ECO applications outstanding beyond 20 working days, please contact our office for assistance.

In this issue of the *Focus*, we have included in-depth reports on the Automotive Sector, for both the UK and Iran. These were kindly provided by The Society of Motor Manufacturers & Traders (SMMT) and Johnson Matthey Catalysts and offers some insight on the current position of the car industry in both countries.

As those who attended would verify, the House of Lords Autumn Reception this year was a roaring success. Although, unfortunately our expected guest speaker, Rt. Hon. Jack Straw MP, Secretary of State for Justice was unable to speak to our guests, his replacement, Professor Sami Zubeida was well received. We have published some selected photographs on pages 18 to 23. A full album of the evening is also available on-line, on the BICC website: www.bicc.org.uk. If you wish to have copies of these photos please contact us and we will be more than glad to provide you with them. There will be a small cost associated with this.

Our Annual General Meeting was held at the Crowne Plaza this year and we were very fortunate to have the newly appointed Ambassador, H. E. Simon Gass CMG as guest speaker. The speech was very informative, highlighting issues that are of importance to our members. Ambassador Gass also kindly took questions after his speech.

The BICC's next Members' meeting is to be held on the 22nd January at the NIOC House and all members should have received an invitation. The guest speaker is Mr Rouzbeh Pirouz on the subjects: 'The Tehran Stock Exchange' and the 'Iran Business School'. If you wish to attend please contact our offices on 020 7233 4441. Furthermore a diary of upcoming meetings/events can be found on page 30.

Let me end by passing on my wishes for a prosperous new year. I hope that 2010 heralds success and happiness for you all, both personally and professionally. I also look forward to seeing many of you, once again at upcoming BICC events.

Yousef (Joe) Daneshvar OBE
Editor-in-Chief, *Economic Focus*,
Deputy Chairman, BICC

UK/IRAN TRADE STATISTICS

Trade in Goods

Bilateral trade figures: £ million

	2005	2006	2007	2008	% Change 2007- 2008	Jan- Aug 2008	Jan- Aug 2009	% Change Jan- Aug 2008/2009
UK Exports	463.9	431.4	400.3	412.1	+2.9%	253.5	255.1	+0.6%
UK Imports	38.8	71.7	66.4	66.6	+0.3%	42.8	87.6	+104.3%
Balance	425.1	359.7	333.9	345.5	+ 3.5%	210.7	167.5	-20.5%

Source: UKtradeinfo HM Revenue & Customs

- UK exports to Iran, at £255.1 million, in the first eight months of 2009 are 0.6% up compared with the same period in 2008. So far this year, the stronger exports seem to be general foodstuffs and edibles and various types of equipment: the weaker exports being raw materials and semi manufactures.
- However the trans-shipment of UK trade to Iran through the UAE, seems to have slowed considerably. Exports to the UAE, at £2,240 million for this period, were only 4.6% higher than for the same period in 2008
- UK exports to Iran have held up thus far in 2009, despite the outreach affects of US sanctions and the world recession.
- UK imports from Iran were £87.6 million, 104.3% higher compared with the same period in 2008. Imports of cereals, clothing and machinery or equipment were stronger: weaker were the more traditional imports, such as foodstuffs and chemicals.

The trade balance is significantly in the UK's favour, although it is weaker than at August 2008.

Trade in Services

£ Million

	2004	2005	2006	2007	2008
Exports /	234	204	209	163	256
Imports /	61	44	61	44	45

Source: The Pink Book 2008, Office of National Statistics

- In recent years, the UK has provided over £200 million of services to Iran per annum.
- Following a fall in 2007, service exports to Iran in 2008 increased by 57% to £256 million

Service imports from Iran in 2008 were steady at £45 million.

AGM with HM Ambassador Simon Gass CMG

In November 2009 we were fortunate to have HM Ambassador Simon Gass CMG as guest speaker at our Annual General Meeting. Ambassador Gass very kindly agreed to address BICC Members and introduce himself as the successor to Sir Geoffrey Adams. After a very interesting speech, highlighting key points, guests were able to put forward questions to Ambassador Gass, which he graciously answered. A full transcript of the Ambassador's speech follows below.

Lord Lamont, members of the Board of Directors, officers of the Chamber of Commerce, ladies and gentlemen. Thank you first of all for the invitation to address such a knowledgeable group about Iran and its affairs. It's a tribute to the work of the Chamber that so many of you are gathered here today. And I would like to say that the sister Chambers in the UK and Iran do a tremendous amount of good work.

As you know, the British Government is not at present in the position of promoting commerce between the two countries because of the sanction regime. I believe that at a time when bilateral relations are particularly fraught and difficult, the commercial relationship and the people who work on the commercial relationship can act as a shock absorber. They help us to manage some of the very difficult issues with which we all have to deal and therefore you have my appreciation for the work that you do in that area.

I've been asked to speak from my perspective about the events that have occurred in Iran since the presidential elections on the 12th of June. I will also talk about the nuclear issue, about the economic position and a little about the business climate too. But let me begin with the events which occurred in Iran around the presidential elections on the 12th of June, particularly as they impacted on the position of the United Kingdom and therefore the bilateral relationship which is of great interest to you.

You will all have seen the pictures and the news stories which came out of Iran after 12th June, showing the contesting of the election results by Mr Mousavi and the tremendous number of Iranians who went out on the streets to protest at what they interpreted as an unfair election result. You will also have seen that those demonstrations and marches were quelled by the security forces in Iran in a way which attracted a great deal of criticism from other countries for the human rights abuses that took place. Those of you who have seen footage of those events will have seen that the demonstrations were toughly suppressed.

Now during that time accusations were made that the UK had in some way been fomenting unrest in Iran; which we strongly denied and continue to deny - because it's untrue. The criticism reached its peak when the Supreme Leader addressed Friday prayers and described Britain as the most evil of all countries in terms of its dealings with Iran. We have to consider why that happened. I see three or four main reasons why that most unfortunate position was arrived at. The first is that I think that the Iranian Government found it convenient to have an



external enemy which they could blame for the domestic unrest which followed the election. The second reason is that the UK has a long, and not always glorious, history in terms of its relations with Iran. I think that the government felt that many Iranians would recognise the story that in some way the UK was manipulating affairs behind the scenes and that it would therefore be believed. I also think that because we were in the course of President Obama's outreach to Iran, the Iranian Government hesitated to blame the US who often would have been a target in the past. The other element I would mention is the BBC Farsi service. There is no doubt that the regime deeply dislikes the BBC Farsi service. I believe it is an extremely good service and it's an asset to those who support free speech and freedom of information. Therefore I am not at all apologetic about the BBC Farsi service.

I sometimes come across confusion about the British position on the election. We have repeatedly made clear that it is not for the British Government to say who should run Iran. That is up to the Iranian people - it is not our business. We do feel strongly that human rights should be maintained and it's a source of great regret that so much of the aftermath of the elections was marred by the credible stories and evidence of human rights abuse.

Expulsion of Embassy Staff

The process of blaming the UK I'm afraid escalated. Two of our diplomatic staff were expelled from Iran. One of them, sadly, was the head of our Visa Section and that impacted on our ability to issue visas. Still more serious was the detention of the local staff at the Embassy. One Saturday morning the security authorities rounded up every local member of our political, economic and press section. They were interrogated in a pretty tough way and one of them has subsequently been charged and at first instance has been sentenced to four years on espionage charges. Those charges would seem very strange to many people. It seems to me that the Iranian Government is redefining acceptable diplomatic practice. We risk living in a world in which meeting people, introducing people, networking, writing reports - standard things which embassies do around the world - suddenly become labelled as espionage. That is a very dangerous and worrying trend. Of course I am working as hard as I can with the Iranian Government to try and make sure that this situation improves.



The unrest after the elections has settled down somewhat. But the Green Movement continues to be resilient and uses public occasions on which to demonstrate its anger about its perception about the election result. My guess is that this will continue for some time to come. The demonstrators will undoubtedly continue to face a very tough time on the streets of Tehran and other cities.

Nuclear Issue

Let me move on to the nuclear issue. This is an issue which affects very closely your own activities, because of the sanctions regime. I mentioned earlier that when President Obama held out a hand of friendship and partnership to Iran, it was meant as a genuine opportunity to resolve some of the differences which divide Iran and the Western countries, including the US. The translation of that offer into something concrete was delayed by the presidential elections and the aftermath of that in Tehran. I would say that I think that Iran has been slower to respond than it should have been to that gesture of willingness to talk and reach solutions. The Iranian Government and leaders would say that, yes, the talk has changed but where is the substance? But that change of substance happens after you have talked together and agreed how to move forward together, rather than before.

The nuclear talks did resume after the elections. There was a meeting in Geneva which didn't go badly, and another meeting in Vienna on a parallel proposal connected with the Tehran Research Reactor. Speaking as of today, the latest developments have not filled me with optimism that we are going to make good progress. We are finding that after the first meeting in Geneva it is proving very difficult to arrange a second meeting with an acceptable agenda which allows the concerns of both sides to be discussed freely. That is the only way in which we can make progress.



Iranian Economy

Let me say now a little about the Iranian economy. My own sense is that the economy in Iran is in a great deal of difficulty at the moment. This is difficulty that we have to contextualise because of course the substantial income from oil papers over quite a lot of cracks and fractures within the economy. But if you look past the oil sector one sees a good deal of difficulty lying ahead which will and is already affecting the business environment. In terms of government spending we know that there is a substantial budget deficit which the government has to fill. There was indeed a deficit from last year which was rolled over to this year's accounts. The reserves in Iran have been eroded over the last four years or so. The rial is being held at a very strong level particularly if one looks at it on a historic perspective. That is sucking in imports which in turn is making it very difficult for domestic industry to prosper. The head of the Iranian Chamber of Commerce a while ago said that his assessment was that the Iranian economy was working at 40% of capacity and anecdotally we are all aware of factories closing and therefore people being made jobless. As I said, when oil money continues to flow this acts as a strong factor for resilience. I'm not therefore making dire predictions of disasters in the economy. But it does seem to me difficult to satisfy the demand for access to goods and to job creation at a time when the problems in the economy are very great.

One symptom which I see is that projects are slowing down or drying up. Payments are becoming more difficult. Subsidy reform will also be a key issue for this year.

This situation is reflected in the fact that exports from Europe to Iran fell in the first six months of this year- not catastrophically but they were on a downward trend. That also reflects the position on sanctions and the difficulty of obtaining letters of credit and financing deals which I'm sure you all live with day-to-day. My prediction is that trade is likely to continue on a downward path for another year or so.

Thank you for your attention. I have tried to cover some of the key issues but I'm sure you will have questions.

(Answers to questions raised by the audience)

The Commercial Section at the Embassy

There is no prospect in the immediate future of the Commercial Section in the Embassy being re-opened. The British Government has a clear policy that at a time when Iran is in breach of UN Security Council resolutions and in the light of the sanctions regime which the British Government feels has to work, it would be counter-intuitive to have a Commercial Section promoting British business. As you know we have the excellent Margaret Mostoufi who acts as a contact for business, but we will not be re-opening the Commercial Section in the immediate future.

Since you've given me the opportunity, let me say something about the Visa Section. The temporary closure of the Visa Section for new appointments has caused a lot of inconvenience and unhappiness to customers who want to come to the UK. I take the opportunity to apologise to them. Some people feel there is a political agenda behind our difficulty in issuing visas in the last few months; that is not correct. David Miliband is clear that people-to-people contact is very important and we have no wish to make it more difficult for Iranian citizens to visit the UK. Part of the problem we faced was a large number of applications building up and also an increase in asylum applications in the UK. We are now open again; we are not open at full capacity but I hope we will achieve that over a period of a few weeks. I would very much like to see us providing the visa service in Iran which we should be offering to Iranian citizens.

Visa Delays

The position is that the UK Border Agency, which is responsible for our visa services, has adopted a new business model. Increasingly decisions on visa applications are being taken in a few centres, or hubs. The visa hub for Iran is now in Abu Dhabi. The normal turn around time for visa decisions in Abu Dhabi is fifteen days but there are occasionally cases which for one reason or another have to be referred back to London. I am aware that in a few such cases there have been



HM Ambassador Gass addressing guests at the Crowne Plaze Hotel, St. James's.



Members of the BICC and guests listening to the Ambassador

significant delays over the summer. They are not delays which I approve of and in some cases we have been able to intervene with authorities who look at these cases in the UK and try to lever the cases out of the system. I'm happy to do that within reason but that does very much depend on the nature of the case. The problem that most people have in relation to the visas is getting the appointment and getting the biometrics taken and getting the application going. For that, we are under full capacity, and I am fully conscious that there is pent up demand which we are not meeting. But we are trying to get into a position where we will be able to satisfy the demand promptly.

Export Licenses

On export licences, there has been a substantial backlog. My understanding is that that has now been substantially cleared and I hope that businesses are seeing some improvement in the situation. I will not apologise or retract from the government policy on export licenses and sanctions. That is our government's position and I will defend it completely. What I do believe is that when you have a regime on export licensing it should deal with applications quite quickly and predictably and transparently. I realise that a number of businesses in the room feel that that is not where we are and all I can say is that from my part I do encourage it and support it wherever I can.

British Government Has No Role at the BBC Farsi Service

Let me say very clearly that the British Government has no role at all in the editorial policy of the BBC Farsi service. What it broadcasts and what it doesn't broadcast - whether economics or politics - is not something we are engaged in. So my answer to you is that, no, I am not going to write to the BBC Farsi service precisely because that could be misinterpreted as the British Government directing the Farsi service. I believe that many Iranian government members believe that the Farsi Service is somehow under the control of the British Government. But that is not actually the case. I think it is exactly the kind of issue over

which the Chamber could have a voice with the BBC Farsi service probably more than I can or should.

Iran & the UK's Common Interests

On one level you would expect Iran and the UK to have common interests on a number of regional issues. Afghanistan is a very good example; both the UK and Iran want a stable Afghanistan; we do not want to see the Taliban back in Kabul; we both want the narcotics trend to be stemmed; we both want to see circumstances in Afghanistan improve.

I am not among those that say that Iran can only have a negative voice in the world, I don't think that's true. Iran has a positive role to play. I personally would also like to engage Iran a little more on some of the other key issues, such as climate change. The effect of climate change will be very serious if we don't take any action. At the same time, of course, and again I don't want to stray too far into regional politics, there is a degree of nervousness in some non western quarters about the role which the Islamic Republic could play in the region. Again it really isn't up to the UK to try and steer that debate one way or another, it is up to regional countries to find solutions to regional problems.

“I am not among those that say that Iran can only have a negative voice in the world, I don't think that's true. Iran has a positive role to play”

FLIGHT TICKET DISCOUNT FOR BICC MEMBERS

✕
bmi

bmi is delighted to offer exclusive fares for members of the British Iranian Chamber of Commerce.

With a wide range of benefits for our Business Class customers, there are now even more reasons to fly with bmi, Heathrow's second largest airline. With benefits such as:

- 50" leg room
- Business lounge access
- 30kg cabin baggage allowance
- A varied selection of complimentary catering
- Online Check-in up to 30 minutes before departure


With fares starting from £900* return there's never been a better time to book.

Route	Flight	Depart	Arrive	Days
Heathrow - Tehran	BD931	1900	0425	123467
Heathrow - Tehran	BD931	2015	0540	5
Tehran - Heathrow	BD932	0855	1200	1234567


Members, employees and family of BICC members can receive exclusive fares on Business Class tickets booked through FACTS Travel.


To make your booking call FACTS on: 020 7603 1246.
Please ask for the BICC rate when making your booking.

We look forward to welcoming you onboard.




bmi better
for business





fly **bmi**.com
better for business

➤ visit flybmi.com

© 2009 British Midland Airways. All rights reserved.
A STAR ALLIANCE MEMBER 

*Exclusive of taxes and charges. Subject to availability.

View our [privacy policy](#)

British Midland Airways Limited trading as bmi, is registered in England and Wales, with registered number: 464648 and registered office: Donington Hall, Castle Donington, Derby, East Midlands, DE74 2SB.

THE BICC HELPING MEMBERS WITH EXPORT LICENSE APPLICATIONS



During 2009, the Chamber has spent much time supporting the licence applications of Members for exports to Iran submitted to the Export Control Organisation (ECO), part of the Department for Business Innovation & Skills. BICC's Director General, Martin Johnston writes about how the BICC helped four members resolve their specific issues with export licenses and is currently working on helping another member.

Towards the end of 2009 a big backlog of undecided applications were settled, allowing many exports to proceed. We like to think we were partly responsible for that.

Trade with Iran is quite legal from the UK, except where the goods or services might have direct or dual-use in the nuclear or WMD industries. Also certain exports (or persons) are prohibited in UK law derived from UN resolution or EU decision.

The Chamber was involved in five particular applications for Members; this represented the tip of the iceberg of outstanding applications as far as can be discovered. The five companies wanted to export:

- Specific components for a plant, generating electricity for the national grid, being constructed by an European supplier
- Low grade aluminium
- Specific parts for plants in the petrochemical industry
- Rail traction equipment for the railway industry
- Engineered products for specific application in the oil and gas sector

None of our Members could understand why their exports might be considered of dual or 'support' use. They had the best knowledge of the goods and where they were to be used, but were frustrated by neither receiving clearance of the applications nor an adequate explanation for the delay in clearance from ECO. These applications had been outstanding for many months, when the ECO target turn-round time is 20 working days for reply.

Delay was explained as being due to consideration by officials or ministers, but comprehensible product reasons were not given – they were screened behind a blanket of security. Were product reasons to have been given, the exporters could have responded. The lack of clarity was most frustrating for exporters and costly and damaging to their businesses.

BICC, led by our President, Lord Phillips, became involved by supporting the applications at senior official and ministerial level. At first progress was slow, however, as recession began to take its toll, BICC emphasised the effects of delay on the companies market position, profitability and employment, and a new urgency began to clear the back-log of cases. In the autumn, it is understood, some 100 applications were cleared – mostly approved. This was good news for exporters to Iran. We deduced that, unless there was a clear case of dual-use, the financial health and employment of applicant companies was given some weight in assessing the applications.

Four of our Members had their cases cleared, but the situation of the fifth remains unresolved – so we continue to work on it. I urge other Members, with ECO applications outstanding beyond 20 working days, to contact us to see if the Chamber might help them also.

“I urge other Members with ECO applications outstandingto contact us to see if the Chamber might help them”

THE IRANIAN ECONOMY - 2009 OVERVIEW

Please see below selected data published by the Central Bank of the Islamic Republic of Iran.

'Bank Markazi Jomhuri Islami Iran' is the central bank of the Islamic Republic of Iran. The Central Bank of Iran (CBI) was established in 1960 (1339 solar year). As stated in the Monetary and Banking Act of Iran (MBAI), CBI is responsible for the design and implementation of the monetary and credit policies with due regard to the general economic policy of the country. To achieve the objectives as stated in the MBAI, CBI is endowed with the responsibility of fulfilling the following functions: issuance of notes and coins; supervision of banks and credit institutions; formulation and regulation of foreign exchange policies and transactions; regulation on gold transactions and formulation and regulation on transactions and inflow/outflow of Domestic currency.

GDP (purchasing power parity):

\$830.1 billion (2009 est.)

\$805.4 billion (2008)

\$285.9 billion (2007)

note: data are in 2008 US dollars

GDP (official exchange rate):

\$382.3 billion (2008 est.)

GDP - real growth rate:

1.5% (2009 est.)

2.5% (2008 est.)

7.8% (2007 est.)

GDP - per capita (ppp):

\$11,202 (2009 est.)

\$11,052 (2008 est.)

\$10,734 (2007 est.)

note: data are in 2008 US dollars

GDP - composition by sector:

agriculture: 9.3%

industry: 42.9%

services: 47.8% (2008 est.)

Labor force:

24.35 million

note: shortage of skilled labor (2008 est.)

Labor force - by occupation:

agriculture: 25%

industry: 31%

services: 45% (June 2007)

Unemployment rate:

11.1% according to the Iranian government (2008 est.)

Household income or consumption by percentage share:

lowest 10%: 2%

highest 10%: 33.7% (1998)

Distribution of family income - Gini index:

38% (2008)

Investment (gross fixed):

27.7% of GDP (2008 est.)

Budget:

revenues: \$42.1 billion

expenditures: \$62.7 billion (FY09/10 est.)

Public debt:

25% of GDP (2008 est.)

Inflation rate (consumer prices):

25.4%

note: official Iranian estimate (2008 est.)

Commercial bank prime lending rate:

12% (31 December 2007)

Money (M1) growth rate:

7.4%

Quasi money growth rate:

7.9%

Stock of domestic credit:

\$109.7 billion (31 December 2007)

Market value of publicly traded shares:

\$45.57 billion (31 December 2007)

Agriculture - products:

wheat, rice, other grains, sugar beets, sugar cane, fruits, nuts, cotton; dairy products, wool; caviar; barley; corn; green leaflet tea; potatoes

Industries:

petroleum, petrochemicals, fertilizers, caustic soda, textiles, cement and other construction materials, food processing (particularly sugar refining and vegetable oil production), ferrous and non-ferrous metal fabrication, armaments

Industrial production growth rate:

6.3% excluding oil (2008/2009 est.)

Electricity - production:

215.7 billion kWh (2006 est.)

Electricity - consumption:

161.9 billion kWh (2006 est.)

Electricity - exports:

53.8 billion kWh (2006 est.)

Oil - production:

3.9 million bbl/day (2008/09 est.)

Oil - consumption:

1.730 million bbl/day (2009 est.)

Oil - exports:

2.4 million bbl/day (2009 est.)

Oil - proved reserves:

137.6 billion bbl based on Iranian claims
(1st January 2008 est.)

Natural gas - production:

132.8 billion cu m (2007 est.)

Natural gas - consumption:

105.8 billion cu m (2008 est.)

Natural gas - exports:

5.6 billion cu m (2007/08 est.)

Natural gas - proved reserves:

26.85 trillion cu m (1 January 2009 est.)

Current account balance:

\$1,070 billion (2008 est.)

Exports (excl oil, gas & electricity):

\$18.146 billion f.o.b. (2008 est.)

Exports - commodities:

petroleum 80%, chemical and petrochemical products, fruits and nuts, carpets

Exports - partners:

China 15%, Japan 14.3%, Turkey 7.4%, South Korea 7.3%, Italy 6.4% (2007)

Imports:

\$55.849 billion f.o.b. (2008 est.)

Imports - commodities:

industrial raw materials and intermediate goods, capital goods, foodstuffs and other consumer goods, technical services

Imports - partners:

China 14.2%, Germany 9.6%, UAE 9.1%, South Korea 6.3%, Russia 5.7%, Italy 5% (2007)

Reserves of foreign exchange and gold:

\$96.56 billion (31 December 2008 est.)

Debt - external:

\$21.575 billion (31 December 2008 est.)

Foreign investment:

\$640 million (2008/09 est.)

Stock of direct foreign investment - abroad:

\$640 million (2008 est.)

Exchange rates:

Iranian rials (IRR) per US dollar interbank market rate - 9,843 (2008 est.), 9,407.5 (2007), 9,227.1 (2006), 8,964 (2005), 8,614 (2004)

note: Iran has been using a managed floating exchange rate regime since unifying multiple exchange rates in March 2002

Parallel Market:

\$9,979

The above information was sourced from data published by the Central Bank of the Islamic Republic of Iran

FUTURE WORLD OIL SUPPLY & DEMAND AND THE *PEAK OIL* DEBATE

BY MOHAMMAD ALI ALA

The birth place of the modern oil industry is generally considered to be a locality called Oil Creek near the town of Titusville in western Pennsylvania, USA. Here, in August 1859, financed by a group of visionary entrepreneurs, oil in commercial quantities was struck at a depth of only 61ft (18.5m) in a well drilled by repeatedly raising and dropping a specially shaped weight from a derrick rather than by hand digging, which had been the standard method of drilling for bitumen worldwide for at least two millennia. Known as the *Drake Well*, the site at Oil Creek has been preserved as a monument immortalising it as marking the dawn of technology in the history of the oil industry. Figures 1 and 2 show the Drake well at the time of drilling and today.



Figure 1 The Drake



Figure 2 The Drake Well site today

For the next thirty years, until the late 1880s, the predominant use of oil was in the production of kerosene or lamp oil, replacing whale oil as the main source of domestic and public illumination since kerosene produced a brighter and much cleaner flame. Consequently, oil soared to \$110 per barrel in terms of 2009 value dated \$, its highest price until the advent \$147 per barrel oil in July 2008. The Rockefeller empire, the Standard Oil Company (today's Exxon-Mobil), was built originally on the production and worldwide sales of kerosene.

The development of the internal combustion engine in the early 1890s, its dependence on oil for propulsion fuel as well as lubricants and the rapid expansion of its use in transportation in the twentieth century represents a milestone in the story of oil, transforming it into a commodity of unequalled importance. Just as coal fuelled the European industrialisation of the nineteenth century, oil, more than any anything else, played a defining role in shaping the twentieth century, which can aptly be described as *the Age of Oil*.

Oil played a paramount role in the major conflicts of the twentieth century. In both the First and Second World Wars the limited availability of oil supplies to the Axis armies disadvantaged them to the point of paralysis. For the Allies, the superiority of oil supplies proved decisive; after the First World War, Winston Churchill famously remarked that '*The Allies floated to victory on a wave of oil*'.

THE *PEAK OIL* DEBATE

Fears of the exhaustion of the global oil supplies are not a new phenomenon and have parallels dating back to the last quarter of the nineteenth century. For twenty-five years after its discovery in western Pennsylvania, this area was the only known major source of oil accounting for the bulk of kerosene production. In the 1880s it was thought that the days of oil would end once the wells in western Pennsylvania ran dry. This, of course, did not happen and oil production began in Baku in 1876, discoveries were made in Sumatra in 1885 and Romania became an important

producer in the 1890s.

Recognition of the strategic importance of oil in the First and Second World Wars, particularly in the latter, raised fears of shortages in the early 1920s and 1940s. Similar fears underlay the oil crises of the 1970s. In each case, however, new oil bearing territories and horizons, as well as new technologies, were discovered and anxieties regarding shortages receded. In fact, shortage was replaced by surplus.

The most recent anxieties concerning future shortages in oil supplies surfaced in the 1990s and are referred to as the *peak oil debate*. This topic has received much attention in the media and is reviewed briefly below:

- Oil is a finite, non-renewable resource that will run out some day.
- The arguments are based on the *Hubbert hypothesis* or the *Hubbert peak*, which was put forward by Dr King Hubbert, a Shell geologist, in 1956. He stated that *production will start falling once 50% of the known oil in a field or a region has been extracted*. On this basis, he predicted that American oil production would peak and begin to decline in the early 1970s. He was not taken seriously at the time, but oil production in 48 contiguous US states did indeed peak around 1970. American production then went into decline from which it has not recovered since.
- The current debate centres on the question of when will the *global* Hubbert peak be reached?
- Some analysts maintain that the peak has been reached, or is about to be reached, while others believe it is decades away. The former are known as the *petro-pessimists* while the latter are called the *petro-optimists*.
- The *petro-pessimists* maintain that global oil production decline has already started or expected it to set in at the beginning of the 21st century and predict that output will fall to the level of 1950 by 2050.
- The *petro-optimists* include oil companies, some think tanks, governments, government agencies such as the Energy Information Administration and US Geological Survey. One optimist predicts peak oil in 2070 and peak gas in 2080.

The *petro-pessimists'* case rests on the following arguments (see also Figure 3):

- The world's biggest oilfields in the Middle East were discovered the 1930s and 1940s.
- The year in which most oil was discovered in the world was 1965.
- The last major oil province to be discovered was the North Sea in the early 1970s.
- The last year in which more new oil was discovered than was used annually was almost 25 years ago.
- **W**orld oil reserves are massively

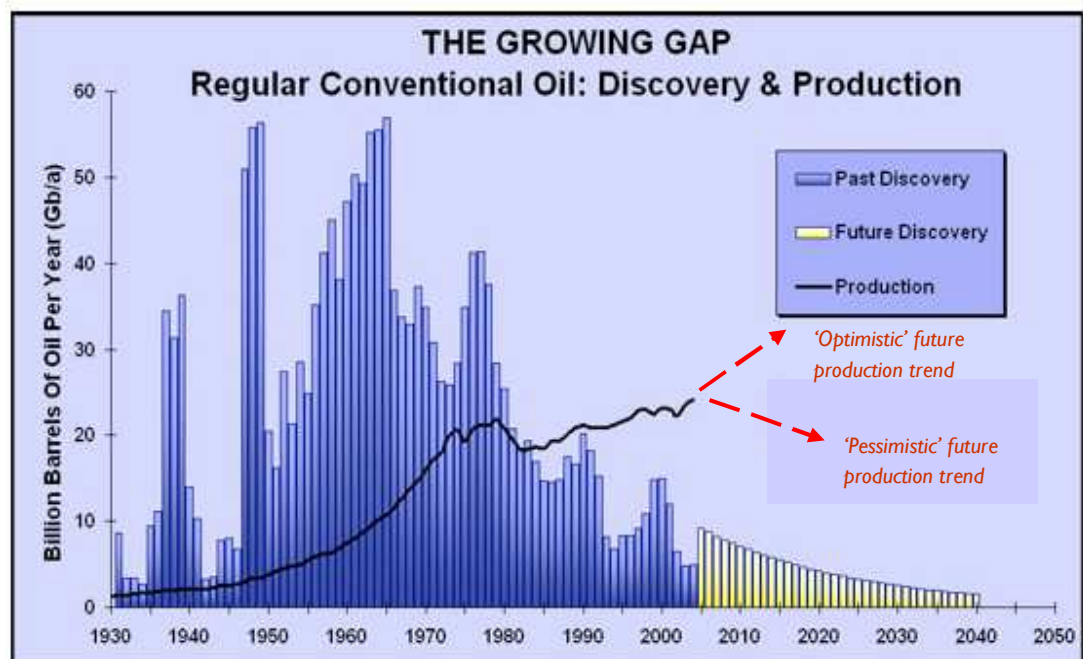


Figure 3

Modified from the Association for the Study of Peak Oil & Gas

overstated - major upward revision of reserves in the late 1980s and the Shell 'mis-reporting' case of 2004.

- **Conclusion:** *There will be insufficient oil to meet the combined effects of depletion and demand between 2008 and 2012.*

SOME PREDICTIONS REGARDING PEAK OIL

- Cambridge Energy Research Associates, a well known international consultancy and think tank, do not expect *peak oil* before 2030.
- U S Geological Survey and the International Energy Agency project oil production peak around 2030.
- The Energy Information Administration, a US government study group, predicts peak oil production in 2037.

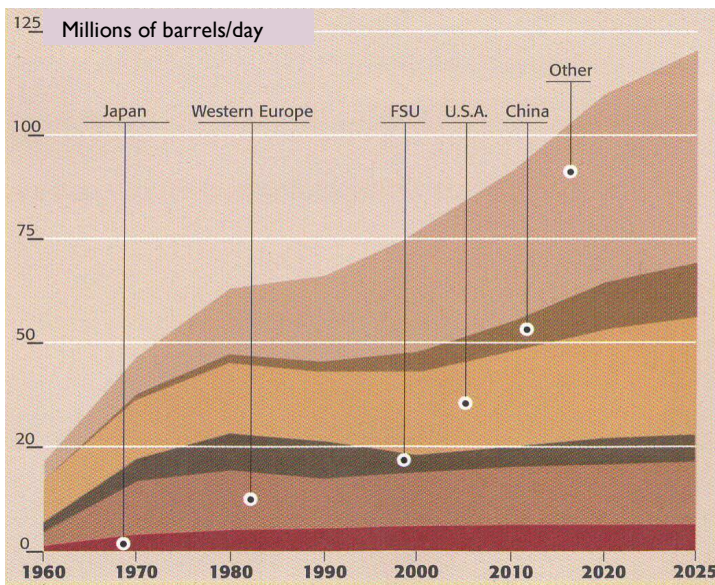


Figure 4 World oil demand 1960 - 2025

to meet the increasing global demand for oil, which is projected to reach about 120 million barrels per day by 2025 as shown in Figure 4.

The development of and commencement of production from the new resources is the key challenge that the oil industry must rise to. This is a capital intensive and lengthy process.

The other important question is the contribution of the renewable sources of energy, wind and solar power in particular. As shown in Figure 5, although wind and solar energy is expected to grow rapidly in the next decade, it is predicted to meet only 1% of the world's energy needs in 2020. For the time being, therefore, conventional fossil fuels will remain the world's primary energy sources.

CONCLUSION

Will the most recent anxieties regarding the exhaustion of the global oil supplies prove to be unfounded, just as those of the preceding 100 years proved to be? This is a contentious question which will occupy the analysts for the foreseeable future. On the positive side, it must be noted that the post-2006 major discoveries in deep water offshore areas of the Gulf of Mexico, Brasil, and west Africa (Ghana, Nigeria and Angola) have substantially increased proved global reserves of oil. Furthermore, advances in production technology over the past few decades have resulted in increasing the recovery of oil from existing fields. The question, therefore, is not whether the world is 'running out of oil' but whether the newly discovered resources can be brought into production fast enough

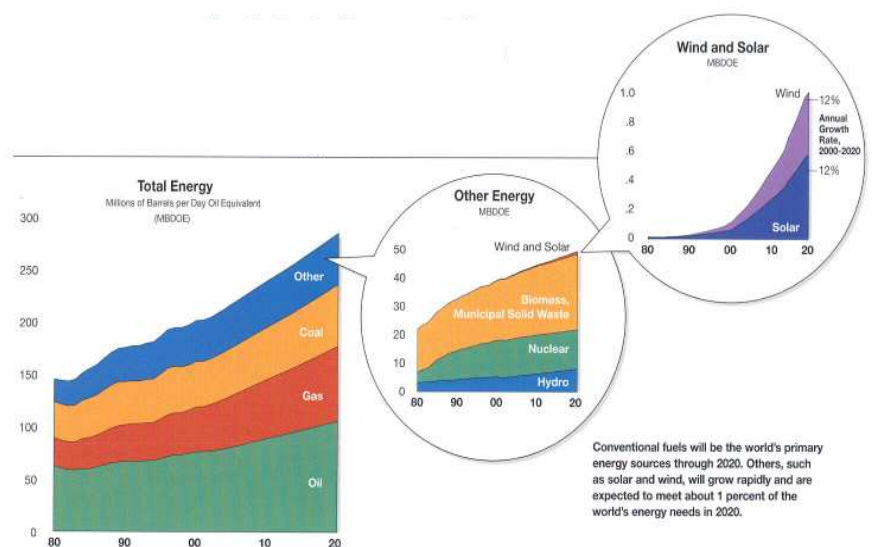


Figure 5 Projected sources of world energy in terms of barrels of oil equivalent to 2020

UK FINANCIAL SECTOR INSTRUCTED TO CEASE BUSINESS WITH BANK MELLAT & IRISL

HM Treasury has issued a direction to the UK Financial Sector to cease all business relationships and transactions with Bank Mellat and the Islamic Republic of Iran Shipping Lines (IRISL). The restrictions came into force on 12th October 2009. Following are the details found on the Treasury website.

Financial crime: policy and publications Latest news



30 October 2009: Further guidance on the cessation of business with Bank Mellat and Islamic Republic of Iran Shipping Lines

[This note](#) seeks to complement paragraphs 15 and 16 of the [Treasury's Interpretive Note](#) regarding the above direction, issued on 12th October 2009.

12 October 2009: Financial Restrictions under the Counter-Terrorism Act 2008 - Bank Mellat and Islamic Republic of Iran Shipping Lines .

The Treasury has today issued a direction to the UK financial sector to cease all business relationships and transactions with Bank Mellat and Islamic Republic of Iran Shipping Lines (IRISL). The direction is contained in the [Financial Restrictions \(Iran\) Order 2009](#). The restrictions come into force at 10.30am on 12 October 2009.

Some of the documents listed below are available in Adobe Acrobat Portable Document Format (PDF). If you do not have Adobe Acrobat installed on your computer you can download the software free of charge from the [Adobe web-site](#). For alternative ways to read PDF documents and further information on website accessibility visit the [HM Treasury accessibility page](#).

The Exchequer Secretary to the Treasury today issued a [Written Ministerial Statement to Parliament](#) on the restrictions.

Detailed information on the restrictions and how to apply for licences of exemption can be found in [HM Treasury's Interpretive Note](#).

The Treasury has today issued three [general licences](#).

A [licence application form](#) is available.

If you have any queries on the restrictions or how to apply for a licence, please email ctact@hmtreasury.gsi.gov.uk or telephone 020 7270 4300.

For further information please visit the Treasury website.

When this direction was issued, BICC spoke to the Head of the Section in the Financial Crime Team of HM Treasury who was responsible for issuing the Order, she confirmed that the prohibition on UK Financial and Credit Institutions (including insurers) dealing with Bank Mellat and IRISL and branches does not apply to subsidiaries or joint ventures of IRISL or Bank Mellat.

It was clear to us that the vast majority of BICC Members, not being financial or credit institutions, were not covered by the Order.

IRANIAN AUTO OVERVIEW

BY ANDREW WARD AT JOHNSON MATTHEY CATALYSTS CO

Iran's automobile industry is the second most active of the country, after its oil and gas industry. The article below, written by one of our members, Johnson Matthey Catalysts Co sheds some light on this industry.

Iran is one of only a handful of 'emerging markets' with its own indigenous car manufacturers.

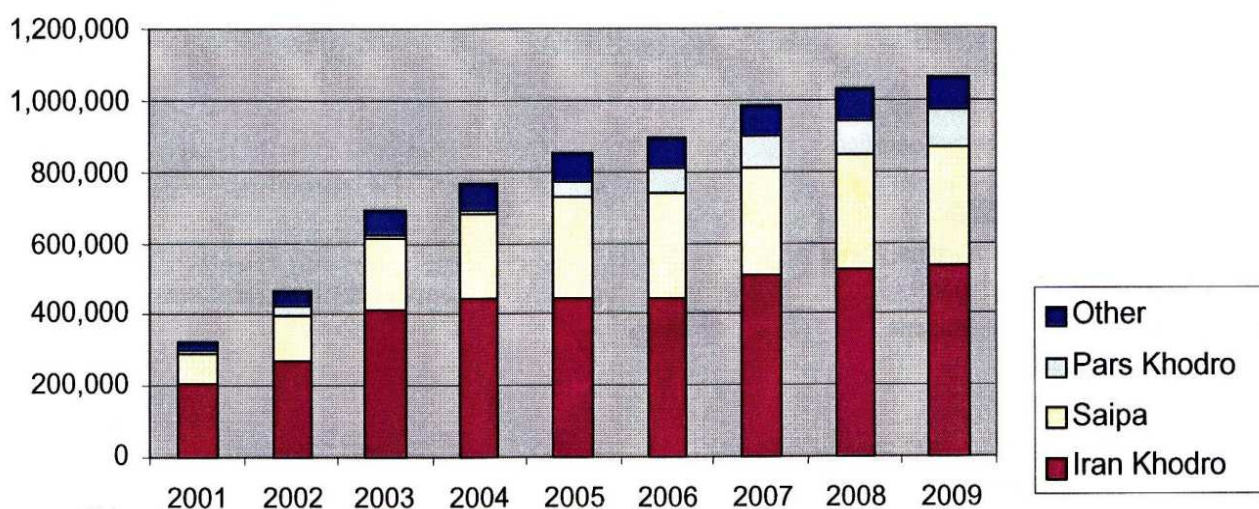
The country remains effectively closed to the importation of vehicles thanks to 100% import duties on new cars. As a result locally made vehicles dominate the market.

Iran Khodro and Saipa the two main producers command 85% share between them.

The Auto industry is essentially government owned and controlled. Iran Khodro produces a number of mostly superseded models produced under license from PSA. Saipa mainly produce old Kia and Nissan models. The 'classis' Paykan (the original Hillman Hunter still lives on in pick-up guise)/

Output has dramatically risen from 25k units pa in 1989 to around 1M currently.

Car production in Iran (units pa)



Projections for the current (crunch) year are 10% down significantly less than the slump witnessed in Europe and elsewhere.

Despite burgeoning output the booming young population means that Iran still has one of the lowest car ownership rates in the developed world at 1 in 15. This is likely to fuel further demand growth in car production into the future.

There is very low diesel penetration but large proportion of CNG/Bi-fuel vehicles.

Legislation timetable delayed: Euro II implemented. Euro III slated for April 2010 but now likely to be 'by the end of March 2011' and may slip further.

Local suppliers are now an increasing threat to Western companies wishing to export components into a low tech & poorly regulated market.

Whilst business can be quite 'stop-start' and 'piece meal' with 'long term' contracts not commonplace, business can be rewarding. Iran continues to present a rare opportunity for incremental growth.

Negotiating price, as well as credit and payment terms can be tough and careful preparation must be given to payment routes and methods. Letter of Credit is usual.

Success determining factors for foreign suppliers are: Maintaining an active local presence, Flexible commercial arrangements, Technical service & customer support, Local knowledge partnerships.

Iran Khodro

Runna (national car)
Peugeot 405, Pars, 206, ROA, 206 SD (Arian)
Samand (national car)
Soren (national car)
Sarir (national car)
Suzuki Grand Vitara
Logan
Mercedes-Benz W211

Saipa

SAIPA 141
Saba
Nasim (car)
Kia Rio
Citroen Xantia, C5
Miniator (national car)

Pars Khodro

Nissan Maxima, Xterra
Dacia Logan
Renault Megane

Morattab

Pazhan
Musso
SsangYong Korando

Rakhsh Khodro Diesel

Kamaz 5360, 53605, 5460, 6520, 6460
JAC 1040, 1063, 1083

Rain Khodrosazan

Hyundai Avante, Verna, Sonata

Kerman Khodro

Volkswagen Gol, Eurovan

Zamyad

Bahman Group

Mazda 323, 3

Zagross Khodro

Proton Wira, Gen-2, Impian

Iran Khodro Diesel

SAIPA Diesel



UK AUTOMOTIVE SECTOR - A BRIEF OVERVIEW FROM SMMT

Business sentiment in the UK's automotive sector has continued to show improvement, partly due to the government's car scrappage scheme, which has increased car sales in 2009. The following article was written by The Society of Motor Manufacturers & Traders Limited and provides an update on this sector.

1. **Since our last update on 25th September business sentiment has continued to improve across our sector. The government's car scrappage scheme has been a welcome boost to confidence and car sales in 2009. Some recent market and economic data also shows that activity in our members' businesses and demand for vehicles is stabilising, albeit after unprecedented declines. Current levels of output, demand, jobs and investment, however, are very weak compared to those typical for our sector from 2001 to 2007.**
2. **The recovery phase in our sector is likely to be long and variable as our members' businesses, markets and the economy adjusts from imbalances built-up in recent years. Many opportunities exist for business revival, renewal and rejuvenation across our sector. Confidence is crucial; currently it is up, off the lows seen earlier in the year, yet fragile. Government policy has helped to avert an even worst recessionary outcome, but the aid has to continue in 2010 with firmer emphasis on tangible help for viable firms to get access to finance for working capital and investment and awareness of timely cash flow management.**
3. **Some of the current market indicators for our sector are as follows:**
 - **On vehicle registrations;**
Jan to Oct 2009 total new vehicle sales volumes at 1.879 million were 15.9 per cent down on the same period in 2009:
 - Cars down 12.3 per cent
 - Private car sales up 3.3 per cent; 215,500 or about 24 percent of all private registrations as through the scrappage scheme
 - LCVS to 3.5t down 39 per cent
 - Trucks >3.5t down 37 per cent
 - **For the latest 3 months to Oct on the same period in 2009 total new vehicle sales were 10.3 per cent up on the same period last year;**
 - Cars up 12.3 per cent
 - Private car sales up 52 per cent, 40 per cent of the total as scrappage
 - LCVS to 3.5t down 23 per cent
 - Trucks >3.5t down 29 per cent
 - **On vehicle output;**

Jan to Sep total vehicle output was down 44 per cent at 0.76 million;

- For the latest 3 months to Sep total vehicle output was 307,100, down 25 per cent on the same period in 2009
- For the rolling year, 12 months to Sep total vehicle output was 1.06 million and down 40 per cent on the same period in 2009
- On employees in employment estimates from the ONS at June 2009 show;
 - In motor vehicles and parts manufacturing a total of 132,000 down 17 per cent from 159,000 at June 2008; at June 2003 total was 205,000
 - In motor trades (retail, distribution, repair) a total of 524,000, down 7 per cent from 561,000 at June 2008; at June 2003 total was 564,000

4. **Some annual forecasts and projections to 2010 follow below:**

UK car, van and trucks sales and vehicle output volumes 2007-2010

Registrations	2007	2008	2009F	2010F
Cars	2,404,007	2,131,795	1,928,100	1,777,100
% change		-11%	-10%	-8%
LCV's to 3.5t	337,741	289,463	182,800	187,200
% change		-14%	-37%	2%
Trucks >3.5t	50,747	57,410	<35,000P	<36,000P
		13%	-40%	NC
Vehicle Output	1,750,300	1,649,500	1,020,000	1,150,000P
		-6%	-38%	13%

Note:

F; Cars and LCV consensus forecasts from Oct 09 SMMT Panel of Analysis others are projections (P) based on past experience and independent analysts.

5. **G**overnment's specific aid for the automotive sector and the general aid for business is having a material impact on activity and confidence in our sector. The scrappage incentive scheme is the active ingredient. It has helped stabilise new car demand, but with no material effect on vans. Truck demand has resumed its environment regulatory deadlines for new trucks. We expect some stabilisation in the underlying level of demand for commercial vehicles by Q4 2009 Q1 2010.
6. **T**he windfall boost to private sales in the new car market and some limited funds released from the AAP, allied to support packages by other governments in the EC and our other main trading partners, has lifted sentiment and for new car demand and UK production volumes too should begun to stabilise.

“business sentiment has continued to improve across our sector.”

AUTUMN RECEPTION 2009

This year we had our annual reception at the Cholmondeley Room, House of Lords on Tuesday 6th October.

Unfortunately, our expected speaker Rt. Hon. Jack Straw MP, Secretary of State for Justice, was unable to speak at this year's Reception, due to an unexpected delay. We were thankful however to Dr Sami Zubeida for stepping in at the last minute and giving a very interesting talk. To begin with Rt. Hon. Lord Lamont welcomed members and guests to the reception and introduced Dr Zubeida. This was followed by a few words by Lord Phillips, BICC's President.

An enjoyable evening was had by members and their guests. The BICC would like to offer an apology to all those that were unable to book a seat at this year's event, seating was limited and the event was fully booked in a matter of weeks.

To resolve this problem, next year we are hoping to hold our reception at the House of Commons Members Room, which would accommodate more guests. Members will be notified nearer to date.

A few photographs of the evening follow, a full album is available on the BICC's website: www.bicc.org.uk.



Dr Sami Zubeida with Rt. Hon. Lord Lamont of Lerwick,



(L-R): Mrs Lakani, Mrs Emamian & Ms Shokofeh Abdi



Mr & Mrs Mobassiri



Table No. 6 (L-R) Bert Lawrence, Mrs & Mr Eslamian, Dr Noei, Dr Manzouri, Colin Stroud, Reza Moradi & Katy Palizban



(L-R): Shahrokh Kossari, Adam, Sam and Dr Kamyar, Khosrow Dabir Alaei, Mr Afkhami, Mrs T. McCarthy, Richard Brown, Arash Mahadiviani and Kasra Pezeshki



Table No. 10: guests from BICC Member, LV Shipping, Mr Everton, Mr Savage, Mr Lewin, Mr Paul, Mr Harrison, Mr Shotton, Ms Hurrell, Ms Beach, Mr Roberts and Ms Darab



Table No. 9 (L-R) Ashok Dani, Zahra Naghivi, Dr Pashazadeh, Marwa Ibrahim, Niloofar Faaliat, Dr Motlagh Hariri, Fahim Kharazi & Mr & Mrs Mobassiri



Guests on Table 1 enjoying the evening



Top (L-R) Mr Savar, Mr Saeed Asafi, Babak Emamian, Martin Johnston and Mr Lakani

Bottom (L-R): Mrs Savar, Mrs Emamian, Miss Shokofeh Abdi, Mrs Lakani, Paria and Mehri Chitsaz



(L-R): Fahim Kharazi, Dr Noie meeting with Mr Yousef Daneshvar OBE and Mr Sahhar



Guests on Table 5

NEW MEMBERS

The Chamber is pleased to welcome the following new members:

Lignum Group

Iran Heritage Foundation (IHF)

United Insurance Brokers

Enpric Solutions

Jumbo Line Shipping Agency

Alstom Power Limited

Greedharry & Co

Pars Mackenzie LLP

Sadaf Commercial Co.

RSL Steeper

BVIG Capital

Peler Darou Co. Ltd

Advance International Transport Inc.

Crossbridge Capital

Sapid Shipping Company

Thor Specialities (UK) Ltd

Sepehr Commercial Co

Invest Select Plc

***To find out how you can become a member of the BICC, please visit
<http://www.bicc.org.uk/membership.jsp> or telephone the office on
020 7233 4441 for further information.***

IRANIAN OFFICIAL HOLIDAYS IN 2010

(Holidays & Anniversaries in 1388

(21 March 2009 – 20 March 2010) in Iran

21-24 March	Iranian New Year
1 April	Islamic Republic Day
2 April	Sizdah Bedar (Nature Day)
28 May	Martyrdom of Fatima
4 June	Anniversary of the Passing of Imam Khomeini
5 June	Anniversary of the uprising against the Shah
6 July	Anniversary of Imam Ali
20 July	Mission of Muhammad
7 August	Anniversary of Imam Mahdi
11 Sept	Martyrdom of Imam Ali
20 Sept	End of Ramadan - Eid-e-Fitr
2 October	National Day of Love
14 October	Martyrdom of Imam Sadeq
28 November	Eid-e-Qorban
6 December	Eid-e-Ghadir
26 December	Tasoa-ye Hosseini
5 February	Arbain (40th day after Ashura)
11 February	Iranian Revolution Day
13 February	Demise of Muhammad and Martyrdom of Imam Hassan
15 February	Martyrdom of Imam Reza
4 March	Anniversary of Muhammad and Imam Sadeq
20 March	Nationalization of the oil industries

Facts



Travel

Iran Specialist

***With over 25 Years experience in providing
Travel services to Iran***

As an appointed Agent of BICC, Facts Travel offers a bespoke travel service for the business traveller:

- Flights to Tehran and provincial cities with all major carriers with the best negotiated rates
- Hotel reservations in Iran
- Business and tourist visas to Iran
- Fully inclusive private tours to Iran
Please visit our website www.silkroadandbeyond.co.uk



Preferred **bmi** Partner to Tehran

371 Kensington High Street

London W14 8QZ

Tel : 020 7603 1246

Fax : 020 7602 9715

E-mail: sales@factstravel.co.uk



British Embassy - Tehran Holidays in 2010

Sunday, 3 January	In lieu of New Year's Day
Sunday, 14 February	In lieu of Prophet Mohammad's death
Sunday, 21 March	Noruz
Monday, 22 March	Noruz
Sunday, 4 April	Easter Sunday & in lieu of Sizde Bedar (Nature Day)
Sunday, 2 May	In lieu of May Day Bank Holiday
Thursday, 10 June	Queen's Birthday
Sunday, 9 July	Eve of the Prophet's all to mission
Thursday, 29 August	In lieu of August Bank Holiday
Sunday, 12 September	In lieu of Eid-e-Fitr
Sunday, 3 October	In lieu of Martyrdom of Emam Sadegh
Thursday, 18 November	In lieu of Eid-e Ghorban
Thursday, 16 December	Ashura
Sunday, 26 December	In lieu of Christmas Day

BICC DIARY 2010

22nd January	Board & Members' meeting Speech to be given by Rouzbeh Pirouz on 'The Tehran Stock Exchange' and 'Iran Business School'/RAK in Birmingham
February	No Board RAK in London (date TBA)
12th March	Board & Members' meeting Speech to be given by the Iranian Ambassador (TBA)
16th April	No Board Members' briefing: IranOil (TBA)
21st May	Board Meeting
18th June	No Board Members Meeting: The Motor Industry in Iran (TBA)
16th July	Board Meeting
August	No Board or Members' meeting
17th September	Board Meeting
22nd October	No Board Annual Dinner
19th November	Board & AGM
10th December	No Board

Members will receive invitations for meetings and events closer to the date.

An on-line diary of BICC events is also available at www.bicc.org.uk

Persian Gold – First Mover Advantage in Gold Exploration in Iran

Persian Gold, which is listed on the London Stock Exchange (AIM: PNG), was created to take advantage of outstanding gold opportunities in Iran. Iran is a large geological province containing an array of world-class minerals that has been significantly under explored over the past 30 years. Not alone has there been little exploration, but almost none of the new exploration techniques developed in the past generation have been used in Iran. Very few international mining companies are working there creating a unique opportunity for an exploration company like Persian Gold. Persian Gold began operations in 2004 and is currently active in three areas of the country.

Chah-e-Zard near Yazd, is a late stage gold project where a 15 hole-drilling programme produced good results finding gold in 13 of 15 holes. The target is an open cast heap leachable deposit. A further detailed programme of trenching and drilling to define the ore body will get underway by September 2007. The project is a joint venture with the local license holder who holds 30%. Recent drilling on this project catapulted Persian Gold's share price to over 40p valuing the company at over USD\$50m.

At Dalli South of Tehran, Persian Gold will shortly begin a drilling programme on a gold/copper porphyry project where soil sampling has shown significant gold values over a large area. The property has never been drilled. Persian Gold has an option to acquire 70% of the concession.

The Takestan area in Northwest Iran is the third area of focus. The Takestan area is particularly exciting. Modern gold exploration techniques have discovered gold associated with silica and alunite. Some of the largest gold mines in the world have been developed or are being developed in silica-alunite deposits in the Andes of South America. The Takestan area of Iran contains over 1 billion tonnes of alunite, the second largest deposit in the world. It has never been systematically prospected for gold. After sampling over 1800 sq km Persian Gold has zeroed in on 4 license areas the most advanced of which is Twin Hills near Qazvin.

The in country operations are overseen by Iranians with specialist support from external consultants. Persian Gold is currently looking to augment its commercial management team in Iran to support its increasing portfolio of projects. The board which has over 30 years experience in the Natural Resources industry and contains the founders of Petrel Resources plc, an Oil and Gas Company operating in Iraq, is privileged to have the technical advice of Monir Davoudzadeh and the board support of Manouchehr Takin to call on. As one of the very few international explorers working in Iran, Persian Gold sees a continuous flow of projects and is interested in discussing any opportunities to increase its operations in Iran. Over the coming years, Persian Gold expects to become a significant Iranian gold producer.

For more information please visit Persian Gold plc website – www.persiangoldplc.com.

INFORMA UK

Chartered Certified Accountants
Registered Auditors

saeed@informa-uk.co.uk

Established in 1998 we have provided a quality accountancy and tax service in the UK for more than ten years. Our head office is located in West London and we have additional offices in North London and Larnaca Cyprus. We have a broad range of clients, from small businesses to international groups of companies. Over the years we have established business associations with a wide network of support professionals which enable us to provide our clients with a full range of services which include:

1. Accountancy for companies, partnerships and sole traders
2. Company formation and branch office registrations
3. Company accounts and tax compliance requirements
4. Forecasting and preparation of business plans
5. Advice on corporate structuring for both trading companies and holding companies
6. UK tax advice, planning and business structuring
7. Cross border tax and VAT advice
8. Domicile issues and tax residence issues
9. Inheritance tax planning
10. Assistance with corporate funding and trade finance including Letters of Credit
11. Assistance with corporate restructuring
12. Assistance with Trade Mark and Patent registrations

INFORMA UK
West London
7 Peoples Hall
2 Olaf Street
London W11 4BE
Tel 00 44 (0)207 243 1022
Fax 00 44 (0)207 243 1044

INFORMA UK
North London
Southgate Business Centre
286c Chase Road, Southgate
London N14 6HF
Tel 00 44 (0)208 886 5225
Fax 00 44 (0)208 886 5775

INFORMA Cyprus
PO Box 42631, 6501
Larnaca, Cyprus
Tel 00 357 (0)99 693 620
Fax 00 357 (0)24 828 044



Regulated for a range of investment business activities by the Association of Chartered Certified Accountants
Pars Mackenzie LLP Trading As INFORMA UK – Registered In England and Wales No. OC332668

Persian Gold plc. Middle East Gold Exploration

Persian Gold plc. is a Middle East gold explorer focused on Iran and listed on the London Stock Exchange (AIM:PNG).

Iran is a highly prospective and under explored country for natural resources. Persian Gold has an early mover advantage.

www.persianguoldplc.com
info@persianguoldplc.com

Persian Gold plc.
Middle East Gold Exploration