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intends to buy 10-12 million kilos of Indian tea this year — just above half last year's total.

● A feasibility study is being completed on an \$18 million water pipeline between Bushehr and Kazeroun. Energy Minister Mohammad Taqi Banki says.

● While sugar production is projected to reach 800,000 tons in the 1986/87 crop year — maintaining the 10 per cent growth rate it registered the previous year. Annual domestic demand is 1.2 million tons.

● The **Pak-Iran** textile mill at Balejo, in Pakistani Baluchistan, is to be sold off. The mill is losing Rs 5 million (\$300,000) a month and has debts of Rs 1,670 million (\$100 million). The government has agreed to contribute \$2 million to revive the company if Pakistan puts up a similar sum. But Pakistan says the scheme is uneconomic. Iran has a 49 per cent stake in the mill.

● A trade team visited Karachi in late July to discuss the purchase of rice, wheat and fertilisers from Pakistan's **State Trading Corporation**.

● A senior French delegation arrived in Tehran in late July to follow up talks about repaying a \$1,000 million loan.

● The Atomic Energy Organisation of Iran (AEOI) has produced a radio-isotope drug, which it calls Tetrisium 99 N, used by cancer sufferers. About \$2 million worth of the drug has been imported annually; the AEOI says it is already supplying 30 per cent of the market. It intends to install a cyclotron to produce other radio-isotope drugs.

● Karl-Erik Widell has been appointed president of **ASEA Iran Company** in Tehran.

● A Saudi-flag container ship was seized by Iranian gunboats on 28 July and detained for 24 hours, according to the vessel's owner, the Kuwait-based **United Arab Shipping Company (UASC)**. The 32,530-ton Al-Insaa was intercepted off the UAE, near the Strait of Hormuz, while sailing from the Saudi port of Dammam to Europe. The navy regularly inspects ships near the strait to see if they are carrying military cargo for Iraq. In April, Iran confiscated a UASC cargo vessel, the 10,690-ton Ibn al-Bitar, which had been seized in November 1985.

● Iran could start exporting military skills to other countries and liberation armies, President Khamenei says. Addressing graduates at a military academy, he said Iranian soldiers have developed "entirely new methods, principles and tactics" during the Gulf war. For example, Iran has for the first time used armoured forces at night to destroy Iraqi units at Mehran. At another ceremony, majlis Speaker Hashemi Rafsanjani said a special airborne brigade has been created to fight behind Iraqi lines. The brigade has been collecting "knowledge about irregular operations from around the world," he added. Advertisements in local papers say volunteers for the brigade should have experience of two offensives, or six months' service in Kurdistan.

● A 30-ton-a-day ice factory started up in mid-July in Iraq's southern Fao peninsula, captured in February. The plant — which, with two mobile units, will supply ice to Iranian troops sweltering

in 50°C heat — was opened by Industries Minister Gholamreza Shateri.

● Industrial and economic installations were damaged in late-July Iraqi air raids, according to claims from Baghdad. They are listed as the Arak aluminium plant, the Parchin munitions factory east of Tehran, the small Kermanshah oil refinery, a sugar mill in Dezful, the Soviet-built Ramin power station at Ahwaz, Haft Tappeh railway station and two railway bridges in the Taleh Zang area. Iraq also claims to have damaged a steel mill at Mobarakeh, south of Isfahan. Mobarakeh is the site of a planned steel mill; the only steel mill near Isfahan is a Soviet-built unit well north of Mobarakeh.

● Ambassador in Moscow Kia Tabataba'i is being replaced at the end of his tour of duty. In late July, Tabataba'i met Georgi S Tarazevich, a vice-chairman of the presidium of the Supreme Soviet, the official Soviet news agency TASS reports.

● Ayatollah Hossain Ali Montazeri, Imam Khomeini's designated successor, has told government officials to deal moderately with the opposition and avoid using force. "We should not do something which might have the opposite effect and create further bad feelings among others," he told officials of the Information Ministry, Iran's central intelligence-gathering organisation. Montazeri said officials should realise that "not everyone's conviction is equally strong, and not all the people are true hezbollahis (devout Muslims). People should be treated moderately." Rejecting force as a weapon against corruption and vice, he added: "To drive society toward goodness, the culture of Islam should be strengthened. Nothing can be rectified by force and beating up people." Harsh and unlawful acts "only lead society to anarchy."

● The US has expelled Alireza Deyhim, a member of Iran's UN delegation, on charges of espionage. The State Department has not elaborated, but unnamed US officials allege Deyhim threatened an Iranian exile to force him to repay money taken for undelivered weapons. Iran has denied the allegation and accused the US of trying to put pressure on its UN diplomats.

● An Iranian-born California businessman has pleaded guilty to conspiring to export \$4 million worth of military radio parts to Iran without a licence from the US State Department. Khosrow "Simon" Shakib could face up to five years in jail. His accomplices, Steven Sanett — the owner of **Aero Electronics** — and Hormoz Hezar, had already pleaded guilty.

● The Iranian Wrestling Federation's supervisory board has been dissolved for allowing Iranians to compete against US citizens in the world youth championships. Iran's Sports Federation says the board violated instructions banning athletes from competing against the US, Israel and South Africa. The Iranian wrestlers won three of five contests against US opponents at the championships, held in West Germany in late July.

IRAQ

Ministry moves ahead with dam schemes

The Qadisiya dam on the Euphrates river was opened on 28 July. The dam —

formerly known as the Haditha — is a key element in the Irrigation Ministry's plans to regulate river waters for irrigation, flood control and energy production (Iraq, MEED Special Report, October 1985, page 18).

Main contractor for the dam was the Soviet Union's **Technopromexport**. It started work in December 1976, according to the terms of an economic co-operation protocol signed 12 months earlier. The dam is 350 metres wide and 54 metres high; it can impound up to 10,000 million cubic metres of water. The reservoir, which covers more than 400 square kilometres, will also be used for fish farming and tourism.

The associated 600-MW power station is being built by Yugoslavian companies led by **Hidrogradnja**, the \$570 million contract was awarded in 1981. Supervision is by Norway's **Norconsult**. Two of the six turbines have been commissioned and will be operational by the end of 1986; the rest will start up next year (MEED 31:5:86).

A further two dam projects, both in the north, are for completion by the end of 1986. The larger is the \$1,500 million Saddam (formerly Mosul) dam, built on the river Tigris by the West German-Italian **GIMOD JV** consortium. Dubai-based **Engineering Services International** was main contractor for the second scheme, the \$100 million Dohuk dam and irrigation project. This is on the Dhumar, a tributary of the Tigris.

The ministry is understood to be keen to go ahead with the Bekme dam — a \$1,000 million-plus scheme on the Greater Zab river for which bids were placed in mid-1985. Negotiations with a consortium of Turkey's **Enka**, **Hidrogradnja** and the US' **Bechtel** have been finalised, although the client — the **State Organisation for Dams** — is understood to have requested a price reduction. This has prompted the consortium to ask for the return of its bid bond. Talks are now at a standstill — if a contract is awarded, construction is expected to take up to eight years (MEED 8:2:86).

Another scheme being considered is the Badush dam, a 110-metre-high structure planned to span the Tigris downstream of the Saddam dam. A consortium grouping **China State Construction Engineering Corporation**, West Germany's **Philipp Holzmann** and **ASEA** of Sweden has emerged as front-runner for the contract, which is valued at about \$700 million.

The ministry is also studying plans to build the Fatha dam. This is intended to regulate the Tigris, and water retained by the Dokan and Bekme dams.

On a smaller scale, the ministry has asked consultants to bid for a contract to study the establishment of a series of dams on the Rawandiz river, a tributary of the Greater Zab. The report would be based on an earlier study by Finland's **Imatran Voima**.