



## Intelligence and Terrorism Information Center



### Highlights of the week

- ✓ The uranium enrichment draft agreement between Iran and the West creates internal disagreements in Iran
- ✓ A report by the Majles Research Center warns that within eight years Iran could go from being an oil exporter to being an oil importer
- ✓ Swine flu scare continues in Iran: at least three schools shut down in Tehran
- ✓ Islamic technology: Iran launched the first Quran search engine
- ✓ Picture of the week: reformist leader Mehdi Karoubi pulled from the Tehran media expo after being assaulted by the president's supporters

## **The uranium enrichment draft agreement between Iran and the West creates internal disagreements in Iran**

*There was once a swindler who coveted his friend's ring. In order to have it, he said to him, "Give me your ring, so that I remember you each time I look at it." His friend answered, "I will not give you my ring, so that each time you look at your ring-less finger, you remember asking me for it and not getting it" (the daily Keyhan on the proposal to transport enriched uranium from Iran to a third country, October 27).*

In anticipation of Iran's answer to the uranium enrichment draft agreement, which was formulated between Tehran and Western powers, Iran's conservatives expressed their reservations last week about the understandings achieved. According to the draft proposed in the talks between Iran and Western countries held in Vienna last week, Iran is to transport most of the enriched uranium it has to Russia and France for processing to 20 percent enrichment for the nuclear reactor in Tehran.

Majles Speaker Ali Larijani said last Saturday that the West attempted to mislead Iran and force it to enter an agreement that would require it to give up the enriched uranium in its possession. He noted that he saw no connection between the West's willingness to transport enriched nuclear fuel for the reactor in Tehran and transferring responsibility for uranium enrichment to the West, and that such a transaction was illogical and unjustified. Larijani's assessment was that the Americans had made a secret deal with certain countries in order to take 4.5 percent enriched uranium from Iran under the pretext that the West would provide it with 20 percent enriched nuclear fuel (ISNA, October 24).

Majles National Security and Foreign Policy Committee chairman Ala'eddin Borujerdi also expressed his reservations regarding the draft agreement, saying it was better for Iran to purchase 20 percent enriched fuel from the West instead of transporting low-level enriched uranium which it needs for electricity production to a third country for further processing. He said that Iran must consider the possibility that Western countries would break the agreement with Iran and ultimately refuse to provide it with the enriched nuclear fuel (ISNA, October 24). Borujerdi suggested last week that Iran transfer the enriched uranium it has in several stages to guarantee that the West meets its obligations to provide fuel for the reactor in Tehran (ILNA, October 27).

An editorial published earlier last week in the conservative daily Jomhuri-ye Eslami strongly criticized the draft proposal for transporting enriched uranium to a third country. According to the daily, that proposal, initiated by the US, was meant to nullify Iran's achievements in the

sphere of uranium enrichment and prevent it from achieving independent uranium enrichment capabilities, a goal which Iran's authorities and nuclear scientists worked hard for decades to achieve. Accepting the proposal to transport most of the enriched uranium from Iran to foreign countries would block Iranian scientists' efforts to achieve independent nuclear capabilities and paralyze the nuclear program. The daily warned that after transporting the uranium from Iran, the Americans would start playing new legal, political, and scientific games to force Iran to sign the additional protocol of the Non-Proliferation Treaty (NPT). Iran must not fall in the trap set by the Americans and give up its achievements. Iran is willing to agree to a solution of the nuclear issue and guarantee that its nuclear program is meant for peace, the article says, but it must not agree to give up its right to achieve independent uranium enrichment capabilities. The Iranian people are determined to reach that goal and no one is able to oppose their wish (Jomhuri-ye Eslami, October 25).

An editorial published last week on the conservative website Alef claims that there is no connection between Iran's enriched uranium stores and IAEA's duty to provide fuel for the reactor in Tehran. Iran does not trust the West, the article says, and does not forget that Russia, too, had failed to meet its obligations about completing the construction of the Bushehr reactor and providing air defense systems. Accordingly, Iran must not give away its enriched uranium unless it does so through an apparatus that would assure that the West meets its obligation to provide fuel to Iran. The author of the article, Mohammad Ja'far Ansari, even warned that transporting most of Iran's enriched uranium to a third country would reduce the potential threat posed by Iran to Israel and may encourage it to take advantage of such an opportunity to attack Iran. Ansari suggested that, at any rate, Iran does not transfer the enriched uranium out of its borders until it receives the necessary fuel for the Tehran reactor from the West (Alef, October 27).



On the other hand, Ahmad Qarib, member of the Iran Atomic Energy Organization's Scientific Committee, said in an interview to ILNA, a reformist news agency, that there was no reason why Iran should not transport enriched uranium to a third country. He claimed that the issue

of transporting enriched uranium abroad was greatly exaggerated. According to Qarib, the research reactor in Tehran is now the only operational nuclear reactor in Iran, since the Bushehr reactor is still incomplete and it is Russia that is supposed to provide the nuclear fuel for it. Accordingly, he believes there is no reason to make such a big deal out of the nuclear fuel. Iran currently has 1600 kg of uranium which it does not need, and therefore nothing stops it from transferring it outside of Iran. He added that during Mir-Hossein Mousavi's tenure as prime minister (1981-1989), Iran had purchased 680 tons of uranium, of which only 12 tons were used so far for the research reactor in Tehran. Qarib said that the reactor in Tehran was expected to operate effectively for only ten more years and therefore did not require such a large quantity of fuel (ILNA, October 26).

Commentator Ali Mousavi Khalkhali also recommended adopting the proposal to transport enriched uranium from Iran in exchange for nuclear fuel for the research reactor in Tehran. In an article published last week on the Iranian Diplomacy website, Khalkhali noted that the draft agreement was an important achievement for the Iranians, for the first time reflecting the West's recognition of Iran's right to enrich uranium on its territory. The proof is that Israel, which demands the total cessation of uranium enrichment on Iranian territory, expressed reservations regarding the draft agreement. Transporting the enriched uranium to Russia does not mean suspending uranium enrichment in Iran's nuclear facilities, the article says, and therefore the quantity of enriched uranium in Iran's possession is not expected to decrease (Diplomasi-ye Irani, October 25).

### **A report by the Majles Research Center warns that within eight years Iran could go from being an oil exporter to being an oil importer**

A report published by the Majles Research Center last week warns that within the next eight years Iran could go from being an oil exporter to being an oil importer. The authors of the report note the continuing decrease in Iran's oil production (an average of about 8 percent a year) coupled with the increase in Iran's consumption of oil and petroleum products (an average of 5 percent a year), saying that if current trends continue and no foreign investments flow into Iran's oil fields, Iran, which is now the fourth largest oil exporter in the world, will become an oil importer in as little as eight years. The report states that Iran's oil production is currently in crisis.

According to Majles Research Center experts, Iran must invest about 4.5 billion dollars a year in its oil fields in order to increase its oil production and maintain the current oil export capacity (about 2.5 million barrels per day). However, faced with the drop in foreign investments in Iran, the experts indicate that it is unlikely that Iran will manage to raise the necessary funds. The authors of the report claim that according to the economic five-year

program which ends this year, about 70 percent of investments in Iranian oil and gas field development were supposed to come from foreign investments; in practice, however, in recent years there has been a considerable drop in the extent of foreign investments in Iran's oil industry. Foreign investments in Iran's oil fields amounted to about 2 billion dollars in 2005, only to drop to about 980 million dollars by 2007. This means that Iran will be unable to raise the necessary funds for developing its oil fields and maintaining current oil production rates.

The report also points out the aging of Iran's oil fields and the continuing decrease of oil well pressure, requiring gas or water to be pumped into the wells in order to be able to continue extracting oil. The authors of the report claim that, despite that fact, in recent years Iran has chosen to increase its oil production by digging new wells instead of trying to increase the production capability of existing ones. Since fewer oil fields have been discovered in recent years compared to the past, the increase of Iran's oil consumption cannot be compensated for by relying on new oil fields.

The report examines three major scenarios for the coming years concerning Iran's ability to continue exporting oil. According to the first, most optimistic scenario, Iran will manage to raise the necessary funds to continue exporting oil at the current levels. Even in that scenario, however, global demand for crude oil is expected to increase until 2030 and the share of Middle Eastern OPEC member countries will increase by 25 percent. Since Iran will be unable to increase its oil production, its part in OPEC's total production is expected to decrease, thus diminishing its influence in that organization, in the region, and in the international community.

According to the second scenario, Iran will manage to raise a certain amount of external funds that will allow it to make up for the decrease of about half of its oil export. In that case, Iran will be able to export oil at current levels up until 2025. According to the third, most pessimistic scenario, Iran will be unable to raise investment funds for its oil fields, while its local oil consumption will continue to rise. In such case, Iran will be unable to export oil after the year 2017, that is, in only eight years ([www.majlis.ir/pdf/reports/9889.pdf](http://www.majlis.ir/pdf/reports/9889.pdf), October 23).

### **Swine flu scare continues in Iran**

At least three schools were shut down in Tehran last week over concerns about swine flu spreading among the students. Seyyed Ali Yazdikhah, director of the Tehran district Education Organization, said last week in an interview to ILNA news agency that the schools were shut down on instructions recently issued by the Education Ministry to keep the

epidemic from spreading in schools. According to that instruction, every educational institution where at least 15 percent of the students contracted the disease will be shut down.



Figures released last week by Iran's Health Ministry show that over 1630 people have contracted the disease across Iran so far, and that 22 of them died (various news agencies, October 26, 28). Meanwhile, the World Health Organization representative in Iran announced last week that Iran had purchased one million swine flu vaccines (Fars, October 26).

ILNA news agency reported last week that many of Iran's schools are currently empty, with parents not wanting to send their children to school due to the spread of the epidemic and many teachers missing, also due to contracting the disease. The news agency reported that the number of absent school students multiplied by two last week and that many schools were shut down as a result, even though the health and education ministries did not officially close the schools.

A member of Iran's national swine flu committee warned last week that closing schools could cause significant economic damage since it forces parents to stay with their children at the expense of going to work. He said it was important to make sure that infected teachers are replaced in order to keep schools from closing (ILNA, October 27).

### **Islamic technology: Iran launched the first Quran search engine**

The Press TV news website reported last week (October 25) the launch of the world's first search engine for Quran-related websites. Created by Iran, the search engine allows web surfers to easily look up information on Islamic religious law. Ali Ismailpour, the director of the search engine ([www.qransite.ir](http://www.qransite.ir)) said that it was designed to promote Islamic culture by providing convenient access to websites pertaining to the study of Quran. \*\*The search engine currently provides access to over 360 different websites, he added. \*\*



In recent years Iran has launched several Islamic-oriented technological services. For example, an Islamic version of Windows XP was released in Esfahan in March 2007, which included unique Islamic features. Among other things, the program makes it possible to download the full text of the Quran with audio, and provides access to over 200 Islamic websites and a collection of dozens of Islamic prayers through its “favorites” tab. In June 2008, the beginning of the production of the first Islamic cellular telephone with integrated “unique Islamic features” was announced in Iran. Among other things, it allows to display the Quran in eight different fonts, the interpretation of the Quran in three languages (Persian, Arabic, and English), as well as Islamic and Shi’ite books on religious law and religious works by several prominent Shi’ite clerics. In addition, the device translates verses from the Quran to ten languages, displays the prayer direction worldwide, provides written transcripts or audio broadcasts of prayers at mosques, converts dates from the solar calendar to the lunar calendar, gives dates of religious events, and displays prayer times in 4500 cities in Iran and across the globe.

**Picture of the week: reformist leader Mehdi Karoubi pulled from the Tehran media expo after being assaulted by the president's supporters**



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