Iran and Venezuela deepen economic cooperation

In the latest sign of deepening economic ties between the two oil-rich countries, Iran's President H. E. Mahmoud Ahmadinejad and Venezuelan President H.E. Hugo Chavez have agreed to create a $2 billion social investment Fund. The Fund will finance projects in both their countries as well as in other developing countries in Latin America and Africa. The agreement was signed in Caracas on 13th January, 2007 during President Ahmadinejad's visit to Venezuela as part of his five-day official visit to three Latin American countries. The two presidents also signed 10 other deals covering iron and steel production, petrochemicals, pharmaceuticals and health-care equipment and munitions.

According to the Iranian President, "boosting of ties with Latin America was a priority in Iranian foreign policy." He announced that Iran has established an automobile manufacturing company in Venezuela and that the company's products were currently being tested and would enter the Venezuelan market within the next two to three months. He added that a tractor-manufacturing firm had also been established in Venezuela and this was expected to produce various types of modern agricultural machinery.

The Iranian President further said that Iran and Venezuela were currently surveying avenues for expansion of their cooperation in the fields of science, culture, education, exchange of university students, tourism and construction of a petrochemical refinery. The two countries have signed an array of agreements in recent months, pledging to work together in Venezuela in oil exploration, building low-income housing and assembling tractors and bicycles, among dozens of other ventures.

The two presidents also announced that they would make a joint effort to obtain new oil production cuts. Members of the 11-nation Organization of Petroleum Exporting Countries (OPEC) have expressed concern about the falling price of oil, which has slid 14 per cent since the start of the year.

Source: Los Angeles Times, Jan 14 2007, Al Jazeera English, Jan. 14, 2007 and IRNA, Jan 17, 2007.

Malaysia remains leading source of FDI in Sri Lanka

According to the Board of Investment, Sri Lanka's leading government body for the promotion of industrial investment, Malaysia was likely to remain Sri Lanka's biggest investor in 2006 for the second consecutive year. In 2005, investments from Malaysia totaled US$ 99.56 million, significantly more than those of second-placed Singapore with US$ 30.63 million.

For the period between January to September 2006, Malaysia invested US$86.12 million in Sri Lanka followed by Luxembourg that invested US$32.91 million during the same period. Telekom Malaysia's local subsidiary, Dialog Telekom, the biggest mobile phone operator in Sri Lanka, was the main contributor to this.

Source: ColomboPage News Desk, Sri Lanka, January 22, 2007 (www.colombopage .com)

Argentina and Mexico implement new bilateral trade accord

A new agreement between Argentina and Mexico has come into force from January 1 2007 under which the two countries have increased to about 1,500 the number of bilateral trade products that will have zero tariffs in ten years time, under a sliding scale. According to the state-run Argentine news agency Télam, the agreement to broaden the bilateral Economic Complementation Accord (ACE 6) that was clinched in August 2006, will boost bilateral trade by more than 350 million dollars. Currently, bilateral trade stands at about two billion dollars, with Argentine exports accounting for about 1.1 billion dollars and Mexican exports for about 800 million dollars.

The products to which the zero tariff policy is being extended will cover mainly chemical, plastic, steel, rubber, electric and mechanical devices, informatics and communication and graphic sectors, as well as to a small number of agricultural products such as olives, canned peaches, frozen hake, squid and sardines, prunes and concentrated soups.

The accord will mean that in ten years time, both countries will have zero tariffs for about 60% of their bilateral trade.

Besides the incorporation of new products to the tariff preference list, the legal framework applying to them has been strengthened and clarified and includes a new regime to determine the origin of products.

Source: MercoPress, January 6, 2007.

Mutual cooperation between India and Nigeria mounts

Recent initiatives by both the governments and the private sector are taking Indo-Nigerian relations to new heights, according to reports originating in both countries. State-owned Indian Oil Corporation (IOC) revealed that Nigeria had offered it two proven oil fields in exchange for setting up a 6–million ton per annum refinery in Nigeria. The two fields are estimated to produce 200, 000 barrels of oil a day and have reserves of 1000 billion barrels over a 15-20 year period. An IOC spokesman said that an arrangement was being worked out between Nigeria's Edo State and the IOC, and added that revenue amounting to $2 billion earned from the sale of crude, would be invested in constructing the refinery.

In another development, the Director General of Nigeria's National Information Technology Development Agency (NITDA), Prof. Cleopas Angaye, disclosed that Nigeria has entered into a software development pact with India as apart of efforts to produce a "critical mass" of IT professionals for the country. Under the pact, Nigerian school and college graduates would undertake software development training for specific periods in India. The training would cover software development, web design, engineering design, and software for ICT deployment in agriculture, banking and money transactions.

The Government of India has also boosted the Nigerian army by a donation of $1 million worth of communication gadgets recently. The equipment, comprising of magneto and manual telephone exchanges, field telephones and solar battery chargers, was handed over by the High Commissioner of India Mr. H.H.S. Viswanathan to General M.L. Agwai, Nigerian Chief of Defence Staff at a special ceremony held in Abuja on January 19, 2007.

Private sector initiatives between India and Nigeria have been at par with Government-to-Government cooperation between the two countries. According to Mr. Viswanathan, Indian entrepreneurs had invested over $10 billion in the Nigerian economy over the last seven and a half years. Indian companies have sizeable investments in textiles, chemicals, electric equipment, pharmaceuticals, plastics, fishing etc. in that country. The Indian envoy, speaking at an interactive session with the press as part of India's 58^{th} Republic Day celebrations in Abuja, added that "Earlier, Nigeria ranked fifth as far as India's exports to African countries are concerned, but has now moved to first place." Nigeria also imports more Indian pharmaceuticals than any other country on the African continent.

On information technology, where India has earned a place on the global stage, Mr. Viswanathan disclosed that Indian information technology firms had already started outsourcing some of their work to Nigerian firms. In another important agreement signed on 30 January 2007 between the Government of Nigeria and Telecommunications Consultants India LTD. (TCIL), a state-owned firm for overseas telecom projects, Nigeria joined a group of 20 African countries that will be eligible to use Indian expertise in information technology to bring benefits of healthcare and education to remote areas under the Pan African e-Network Project. According to a press release by the Indian High Commission in Abuja, the total project cost is more than $100 million, which will be made available as a grant by the Government of India.

Source: *Daily Trust*, Jan. 18, 2007, *Daily Champion*, Jan. 19, 2007, *www.guardiannews.com*, Jan. 23, 2007, *This Day*, Jan. 28, 2007 and *Daily Trust*, Feb. 13, 2007.

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