

IRAN

AIR TRAFFIC CONTROL AND AIRPORT EQUIPMENT

Background - The Civilian Aviation Authority of Iran, under the Ministry of Roads and Transport, is responsible for all policy making issues, for the operation of all airports and for supervising the purchasing decisions of the airlines in Iran. There are currently 52 operational airports in the country of which 6 are international and 6 are exclusively used by the National Iranian Oil Company.

Iran is currently undertaking a renewal and expansion of its domestic airports system, and is planning the construction of the new Imam Khomeini International airport outside Tehran. Pre-qualified companies to complete the design for this were selected at the beginning of this year.

Iran is also building eight new airports and updating its radar and landing systems which would require a minimum investment of US \$350 million in hard currencies. Given this level of activity, international competition especially from European airport equipment suppliers is especially strong. Therefore, Canadian companies wishing to enter this market for the first time must be represented by an effective agent with experience in this field.

Market Access and Restrictions - Some technologies in this area are restricted for export to Iran. Canadian companies should contact the Export Controls Division of External Affairs and International Trade Canada in Ottawa (fax: (613) 996-2387) to discuss any restrictions which may apply.

Financing - Iran is currently experiencing a shortage of foreign currency which has resulted in the country's banking system not being able to meet some of its short-term international debt obligations. This had made financing a sometimes difficult task for exporters worldwide. Canadian exporters should contact the regional office of the Export Development Corporation (EDC) to discuss insurance coverage possibilities. As well, a short-term line of credit, the majority of which is insured by EDC, carried through various banks in Canada including the Bank of Nova Scotia, ABN AMRO Bank and Barclay's Bank of Canada, has offered financing possibilities for Canada. Iran generally operates on a 360-day usance credit basis, requesting at times that this be extended to longer terms.

Trade Fairs and Missions - The Tehran International Trade Fair, a multi-sector trade fair attracting international exhibitors, is held from October 2-12 each year. This fair offers the best opportunity for companies new to this market to investigate sales potential in Iran, and to meet Iranian companies to discuss representation or other