

industry. In 2004, NAIT hopes to secure a licence from local authorities to acquire the necessary legal status to operate the institute.

Canola Oil

In 2003, Canada passed a major milestone when Egypt authorized the import of canola oil into the Egyptian market. The Canadian embassy has been pursuing a specific project for the last 10 years in cooperation with Intercap Inc., which represents Boge & Boge Ltd. On December 7, 2003, Intercap signed a memorandum of understanding (MOU) with the Egyptian Ministry of Agriculture and Land Reclamation. This MOU announces Egypt's intention to allow Canada to provide a turnkey canola processing facility in Egypt that can also process sunflower and soybean seeds. The approximate value of this project will be \$20 million. The MOU also anticipates the further development of canola cropping in Egypt and support in marketing canola. The projected benefits to Canada include the sale of Canadian-manufactured equipment, technical training and administration services, and expanded access for canola seed as well as crude and refined canola oil.

IRAQ

Overview

With the adoption of Resolution 1483 on May 22, 2003, the United Nations Security Council lifted most sanctions against Iraq, with the exception of the arms embargo. However, the purchase of oil from Iraq remains subject to some conditions under paragraphs 20 and 21 of that resolution. In keeping with Resolution 1483, on June 4, 2003, Canada removed these barriers to commercial and financial transactions with Iraq.

Although the UN sanctions regime has ended, Canada requires that exporters obtain an export permit for any goods on the Export Control List. Exports of such goods will be carefully scrutinized according to their final destination. Companies considering exports in these fields should contact the Export Control Division at the Department of Foreign Affairs and International Trade. For more information, call (613) 996-2387.

Prior to the Gulf War of 1990–1991, Iraq was one of Canada's most important markets in the Middle East. Although Iraq has the potential to once again be an important market for Canadian firms, major challenges will remain in the medium to long term. Once the security situation is stabilized and governance issues are resolved, there should be no impediments to full participation by Canadian companies in the redevelopment of Iraq. For now, the main avenue for Canadian enterprises to enter the Iraqi market is through contracts for U.S.-funded projects.

A new foreign direct investment policy for Iraq was announced in September 2003, which is intended to permit foreign investors to own up to 100% of enterprises in all sectors except natural resources. There are very few other restrictions. Profits, dividends, interest and royalties may be fully remitted. Land may not be purchased, but it may be leased for up to 40 years. The heaviest infrastructure investments in 2004 are likely to be in electric power, oil production, refining and distribution, and water treatment. Industries such as cement aggregates and other construction materials are expected to do well. The shift toward a more market-oriented economy as well as the establishment of a new currency, future transparent legal environment and a friendly business environment will help ensure opportunities for Canadian exporters.

IRAN

Overview

In its Third Economic Development Plan (2000–2004), the Iranian government announced a trade liberalization policy, including a transformation from a non-tariff-based to a tariff-based import system together with privatization in all sectors of the largely state-controlled economy. In reality, privatization has occurred more slowly than expected. Nonetheless, it is proceeding particularly rapidly in expanding sectors such as information and communication technologies (ICT). The expected continuation in the proposed Fourth Economic Development Plan (2005–2009) of the privatization process and the implementation of policies aimed at encouraging foreign investment should focus attention on priority sectors including agri-food, mining, ICT and environmental technologies.