

The Ministry of Energy's budget for the 1992 -1993 fiscal year has been allocated as follows:

- RIs 650 billion for investments
- US \$1.35 billion for investments
- RIs 300 billion for running and maintenance costs of existing facilities.

HYDRO-ELECTRIC POWER GENERATION

The 1990 to 1998 investment plan envisaged by the Ministry of Energy places the accent upon hydroelectric power generation. In 1990 power from this source produced 1,968 megawatts and by 1998 it is hoped that this amount will have more than tripled to 6,620 megawatts. This will represent over 20% of Iran's total production capacity. Steam turbines, currently producing 50% of Iran's energy needs will rise to 66% by the end of the century once new plants and upgraded facilities come on stream.



ATOMIC ENERGY

Iran's Atomic Energy Organization wishes to accelerate its plans for nuclear energy development. With President Rafsanjani's announcement in September 1991 that Iran will proceed with its plans to establish a number of nuclear power plants over the course of the next 10 years, it is clear that a nuclear program has the full backing of the State. That said, there is no interest among western countries capable of co-operating with Iran to develop nuclear energy production facilities. Germany, for example, despite heavy political pressure from the Iranian government, has formally stated that German firms would not recommence construction of the Boushehr nuclear power plant (construction was interrupted by the onset of the Islamic revolution). China is the only country known to have promised Iran access to nuclear power technology. Political factors and concern over nuclear proliferation make participation by Canadian companies in this field of power generation extremely doubtful.

CANADIAN PARTICIPATION

A number of Canadian companies such as Acres, Monenco, Babcock and Wilcox, The Howden Group and Trench Electric Ltd are already enjoying success in Iran's energy sector. With both a substantial number of new projects planned and further upgrading of number of existing power generation sites, opportunities for Canadian companies not yet familiar with the market should prove ample. Current contracts awarded by Tavanir account for approximately 9,500 megawatts, of a total of 19,700 megawatts required if Iran is to meet its century-end target of 36,300 megawatts. A number of tenders to construct 1000 megawatt plants such as that awarded to the Babcock and Wilcox led consortium are expected within the next few years.