

# Iranian-built hydro dam opened in Sri Lanka

*Raisi: Iran involved in water, power projects in over 20 countries*

Compiled from dispatches

Iran's President Ebrahim Raisi on Wednesday inaugurated a \$514 million hydropower project in the southeastern region of Sri Lanka which was partly funded by Tehran.

This was the first visit by an Iranian president to Sri Lanka since an April 2008 visit by its then-president Mahmoud Ahmadinejad.

Raisi was received by Prime Minister Dinesh Gunawardena on his arrival at the southern province's Mattala International Airport earlier in the day.

The Iranian president also met Sri Lankan President Ranil Wickremesinghe in the project inauguration site.

During the inauguration, Raisi said Tehran was happy to assist the Uma Oya Multipurpose Development Project (UOMDP) to forge closer ties between the people of Iran and Sri Lanka. Iranian engineers worked on the project to see its success.

Raisi said his country has proven the West doesn't have a monopoly on technology adding that Iran is currently working on major water and electricity projects in more than 20 countries around the world.

Wickremesinghe in his address said he looks forward to Sri Lanka and Iran making joint progress as members of the Global South. He said Sri Lanka is grateful to Iran for the technical support provided to UOMDP, the second-largest irrigation project in the island after the Mahaweli River diversion project in the 1980s.

According to a press release issued by the Sri Lankan government, the UOMDP project costing \$514 million was kicked off with \$50 million provided by



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Iran. The Sri Lankan government and Farab Energy and Water Projects (Farab Company) of Iran agreed in April 2008 to implement the project. The total contract sum amounted to \$514 million and the Export Development Bank of Iran (EDBI) funded \$50 million until 2013. The project was also held up because of the COVID-19 pandemic.

However, due to illegal sanctions imposed on Iran later that year, Tehran was unable to continue providing funds for the project. Subsequently, Sri Lanka decided to proceed with the project using government funds while continuing with the same contractor, Farab Company, the release said.

The project would add 290 GWh to the national grid, while supplying water to 4,500 hectares of new agricultural land and 1,500 hectares of existing farmland and would meet the drinking water needs of thousands of families in Badulla, Monaragala and Hambantota districts.

The process of construction, monitoring, and consulting of the project was completely done by the Iranian company, according to spokesman of Iran's Government, Ali Bahadori-Jahromi.

During his one-day trip to Sri Lanka, Raisi also held talks with the officials of the South Asian country, attended several inauguration ceremonies and signing five memorandums of understanding.

The latest visit comes as the two countries have agreed to boost relations and expand their cooperation in various fields, including economy, tourism, science and technology.

Sri Lankan Foreign Minister Ali Sabry has already said his country is ready to implement economic projects undertaken by Iranian experts in the country in light of the Islamic Republic's industrial and economic capabilities.

The Uma Oya Multipurpose Development Project involves significant engineering challenges, particularly due to the 700-meter difference in height between Bandarawela and Wellawaya. Adjusting the tunnel route at such a height is a complex task. Additionally, the construction of

a deep pressure shaft to channel water onto turbines is an unprecedented feat. Such innovative engineering solutions are rarely seen globally, making the completion of this project a remarkable achievement.

The Uma Oya Downstream Development Project, facilitated directly by the Irrigation Department, is poised to alleviate the longstanding water scarcity issues in the Kirindi Oya Basin. Under the guidance of the government, officials have been directed to execute an integrated agricultural development initiative leveraging modern technology to optimize water utilization. Additionally, the Uma Oya Multipurpose Development Project has effectively addressed the challenge of sup-

plying water for both domestic and industrial purposes in the Bandarawela and Wellawaya regions.

The historical ties between Sri Lanka and Iran date back centuries, predating the formal establishment of diplomatic relations. Initially, interactions between the two nations were primarily centered around the Strait of Hormuz during the Persian era. Formal diplomatic relations were officially established in 1962. Iran established its mission in Colombo in 1975, while Sri Lanka reciprocated by establishing its mission in Tehran in January 1990. Over the years, both countries have maintained close cooperation across various sectors and have consistently supported each other in multilateral forums. High-level visits between the two nations have been a regular occurrence, further solidifying their bilateral relationship.

Sri Lanka and Iran have collaborated closely within the United Nations and its affiliated agencies, offering mutual support on matters of shared concern. Both nations are active members of various international and regional organizations, including the Asian Cooperation Dialogue (ACD), the Non-Aligned Movement (NAM), and the Indian Ocean Rim Association (IORA). Sri Lanka has granted approval for Mahan Air flights between the two nations, anticipating increased tourism from Iran to Sri Lanka and bolstered cooperation in aviation. In 2022, Iran ranked 27th among countries with the highest international tourist arrivals in Sri Lanka, experiencing notable growth compared to 2021. By June 2023, Sri Lanka had welcomed 5,973 Iranian tourists.

## North Korean economic delegation visits Iran



A high-level North Korean economic delegation embarked on a public visit to Iran this week.

North Korea's state-run Korean Central News Agency reported on Wednesday that Minister of Economic Relations Yun Jung Ho departed from Pyongyang on Tuesday with an economic delegation. The last known trip by North Korean officials to Iran was in August 2019. At the time, Vice President of the Supreme People's Assembly Pak Chol-min met with Iranian Parliament speaker Ali Larijani in Tehran, where he stressed the importance of promoting bilateral ties in various sectors.

## China's oil buyers to weather tighter US sanctions on Iran

China's private oil refiners could seek to buy more cargoes whose origin has been obscured as they prepare for fresh US sanctions on Iranian exports, ensuring crude continues to flow to the world's top importer, Bloomberg wrote.

The Senate voted to send a foreign aid package that includes sanctions on Iran's oil sector to President Joe Biden, who has said he will sign the legislation into law.

The bill, which was approved on Tuesday night by a vote of 79-18, would broaden sanctions to include foreign ports, vessels and refineries that knowingly process or ship Iranian crude in violation of existing US sanctions. It also would expand so-called secondary sanctions to cover all transactions between Chinese financial institutions and sanctioned Iranian banks used to purchase petroleum and oil-derived products. The

legislation also included assistance for Ukraine, Israel and Taiwan.

The measure would require an annual determination as to whether Chinese financial institutions have engaged in conduct that violates sanctionable conduct, according to a report by the House Financial Services Committee, which said 80% of Iran's roughly 1.5 million barrel per day of exports go to China to be refined by small independent refineries known as "teapots."

Analysts said Biden is likely to take advantage of waiver authority built into the sanctions and could opt to avoid stringent enforcement of the sanctions, which could contribute to a rise in oil and gasoline prices. "Our take is that President Biden will use any flexibility afforded him to ensure no material disruption in Iranian crude oil takes place before the election," said

Bob McNally, president of consultant Rapidan Energy Group and a former White House official. "There is no higher priority for the White House than preventing an oil price spike this year."

A person familiar with the matter said the administration is analyzing the legislation, but no impact on oil markets is expected before the fall. Kevin Book, managing director for ClearView Energy Partners LLC, a Washington consulting firm, said in an interview that the sanctions could add as much as \$8.40 a barrel to global prices.

Oil trade involving independent refineries is hard to stop because the companies don't have a nexus to the US financial system, said Ben Cahill, a senior fellow, with the Center for Strategic and International Studies, a Washington think tank. "Sanctions leverage is

limited," Cahill said in an email. "The key question is how tough the White House will be on sanctions enforcement in an election year."

So-called teapot refiners — private outfits clustered in Shandong province and the leading beneficiaries of US sanctions on Iranian exports — are already bracing for the increased scrutiny. According to refinery executives and traders supplying them, that will likely include buying oil that has been manipulated en route, usually via ship-to-ship transfers around Malaysia and Singapore, or near Fujairah in the Gulf of Oman.

Some may temporarily back away as a precaution, but pressure on profits is already high with margins barely at breakeven levels, traders say. Buyers may instead seek better terms as the hurdles accumulate for Iranian exporters, even sidestepping middlemen

in order to lower prices. Teapot refiners have become all but reliant on less expensive crude from sanctioned regimes in recent years, emerging in particular as the most important buyers of Iranian oil.

That's been possible thanks to sidestepping measures including the use of yuan transactions, a domestic clearing and settlement system — known as CIPS — and local financial institutions isolated from large commercial players, such as Bank of Kunlun. Still, US officials can trace at least some physical shipments of Iranian oil with the help of ship-tracking and satellite data, and identify the entities aiding in these flows. The bigger question is whether Washington is willing to enforce the sanctions and live with the consequences, including higher gasoline and diesel prices in an election year.

## Tajikistan keen to invest at Chabahar port: PMO

The deputy transport minister of Tajikistan said her country is interested in investing in Iran's Chabahar Port in logistics affairs.

In a meeting with Iran's Deputy Minister of Roads and Urban Development Ali Akbar Safaei, Shayesta Moradzadeh emphasized the interest of her country in making investments at the port in logistics affairs, Tasnim News Agency reported.

She also hailed the good level of the bilateral trade and economic relations between Tehran and Dushanbe.

Moradzadeh pointed to the common historical and cultural backgrounds between Iran and Tajikistan and added that the trade and economic relations between the two countries have been on the growth trajectory, especially over the past two years.