



IRAN DEMOCRACY MONITOR

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Related Categories: Democracy and Governance; International Economics and Trade; Military Innovation; Iran; Middle East

CRACKS IN IRAN'S ECONOMIC FACADE

Publicly, the Iranian regime may have struck a defiant stance in response to the latest international deliberations over its nuclear program, and the prospect of a new round of economic sanctions. More subtle signs, however, suggest that international sanctions - amplified by economic mismanagement on the part of the Ahmadinejad government - are beginning to bite. According to a new report from Iran's official customs agency, total imports into the Islamic Republic rose by nearly 10 percent between March and November of last year. Staples such as corn, rice and sugar are among the goods now increasingly being acquired from abroad. In particular, imports of metal have soared, with the Iranian government reportedly spending approximately \$4 billion during the period in question to alleviate pressure on the country's metallurgical sector. (Tehran Tabnak, January 17, 2008)

A HELPING HAND FOR EGYPT...

As part of this growing thaw in relations with the government of Hosni Mubarak, Iran has offered to assist Egypt with its most immediate security problem: the Palestinians. In a meeting with Egyptian Foreign Minister Ahmed Aboul Ghait, Ali Asghar Mohammadi, the Iranian Foreign Ministry's director-general for Arab, Middle East and North African Affairs, offered his government's "cooperation" in providing humanitarian assistance to the residents of the Gaza Strip, which have breached the common border between Egypt and the Palestinian Authority in recent days. (*Jerusalem Post*, January 28, 2008; Tehran IRNA, January 28, 2008)

...AND ECONOMIC SUSTENANCE FOR SYRIA

Iran's ties with its most prominent regional partner, meanwhile, are also expanding. According to Mohsen Shater-Zadeh, Iran's Assistant Minister of Industry, the current volume of the Islamic Republic's investments in the Syrian industrial sectors totals nearly \$1 billion. Among the government-to-government investments being made, Shater-Zadeh disclosed to reporters in Damascus, are allocations to Syria's national car manufacturer, Siamco.

These economic ties, however, could be just the beginning. According to Shater-Zadeh, the Iranian regime hopes exponentially expand its investment in the Ba'athist state, with projected investment a decade from now totaling \$10 billion. (Damascus SANA, January 28, 2008)

IRAN'S OTHER FRONT

In recent months, much has been made of Iranian meddling in Iraq, where Coalition officials charge the Islamic Republic with expanding the scope and lethality of Shi'a militias. Increasingly, however, Iran's destabilizing influence is being felt in another theater as well. A late-January security raid by law enforcement officials in Afghanistan's western Farah province has reportedly uncovered a major Taliban weapons cache containing Iranian-made armaments. The weapons - including antipersonnel and anti-tank mines - "were recently brought from Iran" and provided to Taliban irregulars fighting against local security forces loyal to Afghan president Hamid Karzai. The incident comes on the heels of recent allegations from NATO that the Islamic Republic was playing a role in the provision of sophisticated weaponry to the ousted Islamist movement. (*Radio Free Europe*, January 25, 2008)