



Directorate of
Intelligence

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250,000-b/d capacity—appears to have been burned and possibly ruptured. Major damage to the cooling towers has shut down one of two steam plants needed to run the processing units, and significant pipeline damage also occurred. The refinery is the largest supplier of gasoline in Iran. If one of the distillation towers is critically damaged, replacement could take six months, creating serious fuel shortages in Tehran and the heavily populated northern areas. Iran's distribution system is not capable of handling the volume of imports needed to offset a large loss in domestic production. [redacted]

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*UK Gas Reserves
Estimate
Revised Downward*

London is unlikely to change its policy toward importing gas from Norway's Sleipner field despite a downward revision in domestic gas reserves. This year's Department of Energy review estimates that gas reserves are 50 billion cubic meters less than was estimated last year. The new, lower gas estimate is in sharp contrast to last year's, which was used as justification for London's veto of the proposal by British Gas to purchase Sleipner gas. British Energy officials, already concerned about the sharp drop in oil exploration occurring because of low oil prices, appear unwilling to take any action that would reduce North Sea gas development over the next few years. [redacted]

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*Setback for
Yugoslav Nuclear
Program*

The Chernobyl' accident is strengthening antinuclear sentiment in Yugoslavia and casts further doubt on plans to build four nuclear plants by the end of the century. Last week the Republic of Croatia, questioning the need for nuclear power and citing Chernobyl', removed any commitment to nuclear energy from its development plan for 1986-90. This at least postpones plans for a \$2.5 billion nuclear plant near Zagreb for which a US firm and the Soviets are competing. Zagreb health authorities have recently demanded a ban on all new nuclear construction. The Croatian decision reflects the growing debate over Yugoslavia's nuclear program. Antinuclear proponents, including some prominent party and republic leaders, argue that the program is economically infeasible and technically unsafe and that existing energy sources should be developed first. About 70,000 Serbian students have signed a petition against nuclear power, and the Republic of Slovenia earlier reduced its commitment to the Croatian plant. The Soviet nuclear accident could cause strains in bilateral ties if Belgrade asks Moscow for compensation [redacted]

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*India Unable
To Meet Coal
Production Target*

A recent coal strike typifies the problems New Delhi faces in meeting its economic growth target. In a recent trend of joint union action, 700,000 miners responded to a call by Communist and democratic unions for a one-day strike over industry hiring practices. Labor unrest, persistent power shortages, underutilization of machinery and equipment, and transportation bottlenecks make it unlikely that India will meet its coal production goal. Annual coal production—currently some 150 million tons—must increase by 10 percent to sustain the current five-year plan's projected yearly growth rate of 5 percent for the economy. About 65 percent of the country's electricity is generated by coal-fired thermal power, and electrical shortages are a major obstacle to increasing productivity and output of exportable goods. [redacted]

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