Iran Preparing to Unveil New Oil Deals

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TEHRAN (Press TV) - **Iran says it is preparing to unveil a new format of contracts for its oil and gas projects in a forum that will be held over the weekend.**

Oil Minister Bijan Zangeneh said the new model of Iran's oil sector contracts – generally referred to as Iran Petroleum Contract (IPC) – could help solve some of the problems that the country's oil industry is facing.

Zangeneh said the IPC deals – that will be unveiled in a conference in Tehran on November 28-29 – are expected to attract as much as $30 billion worth of new investments into the Iranian oil and gas projects.

IPC is replacing buyback deals which required the host government to pay the contractor an agreed price for all volumes of hydrocarbons it produced.

Under the IPC, different stages of exploration, development and production will be offered to contractors as an integrated package, with the emphasis laid on enhanced and improved recovery.

Experts believe that Iran's IPC looks more appealing than the service fees which the neighboring Iraq offers. They say the IPC contains some specifications of the production-sharing agreements which will encourage investors to produce more oil and develop a field for longer terms.

Iran has already announced plans to ramp up oil production as soon as the US-engineered sanctions that bar investments in its oil and gas projects are lifted.

Officials in Tehran have made it clear that Iran will add 500,000 barrels a day to its production within a week after the lifting of the sanctions and raise it by at least another 500,000 bpd within six months.

What makes Iran attractive to foreign energy companies is the low cost of production, ranging between $5 and $10 for offshore fields and even lower for onshore.

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The country has announced that it will pay foreign oil companies larger fees than it did under buy-back contracts and offer 20-year tie-ups for the first time based on mechanisms envisaged in the IPC.

OPEC Sec Gen: Oil Industry Needs $10t in Investment by 2040

TEHRAN (FNA) - **Up to 2040, world oil industry will need more than 10 trillion dollars in investment in order to produce 2 trillion barrels of oil, Secretary General of the Organization of Oil Exporting Countries (OPEC) Abdalla El-Badri said in Tehran.**

Secretary General of the Organization of Oil Exporting Countries (OPEC) Abdalla El-Badri

Addressing the 3rd Summit of the Gas Exporting Countries Forum (GECF), El-Badri praised development of the gas forum's performance over the last decade adding, "Now the time is ripe for boosting cooperation and coordination between OPEC and GECF as two energy organizations."

Referring to growing world population, the OPEC secretary general said it was expected that demand for energy will rise in coming decades.

According to Al-Badri, even though the share on renewable energies will be on the rise in coming decades, fossil fuels will account for 50 percent of the energy needs of the world in 2040.

Up to 2040, the world needs two trillion cubic meters of gas as well, he added.

OPEC will hold its next ministerial meeting on December 4 in Vienna.

The 3rd GECF Summit wrapped up on Monday night issuing the Tehran Declaration as well as a message to the UN climate change conference which is going to be held next week in Paris.

French Company to Invest 10mln Euros in Lorestan's Fishery

KHORRAMABAD (MNA) – **A French company will invest 10 million euros in fisheries industries of Iran's Lorestan province.**

A French delegation has arrived in Lorestan province to evaluate the potentials of Aligudarz city for the production of baby salmon.

The CEO of France's Aqualande Cooperative Group Vincent Pitti deemed Lorestan as a province with great investment potentials adding; "the region is truly convenient for investment in production of eyed eggs," Pitti told the reporters on the sidelines of his trip to Lorestan.

Pitti noted that the company's investment in the field of fisheries for production of baby salmon in Aligudarz will reach a total of 10 million euros; "the capital will be devoted to the creation of a large unit for annual production of 250 million eyed eggs," he maintained.

Head of Lorestan Agriculture Organization said the French delegation have approved the quality of its water for producing baby salmon after investigating the region in the past few days.

Mehrdad Ghazanfari referred to Lorestan's annual output of 20 tons of salmon and reproduction of 130 million baby salmon asserting "Lorestan ranks first in cold-water fish production among non-coastal provincies.

"By construction of the salmon production complex by the French company, the country's need to import the fish will be removed," he added.

Lorestan governor also stressed the provision of necessary infrastructures including access road and electricity for the construction of the desired complex.

Houshang Bazvand noted "the French investors have demanded the creation of infrastructures in the area and we feel obliged to fulfill their needs."

Emerging Market Woes Weigh on Eurozone Stability

BRUSSELS (Financial Times) - **Waning growth in emerging market economies is "of particular concern" to the financial stability of the eurozone, the European Central Bank has warned.**

The ECB said in the latest edition of its twice-yearly Financial Stability Review that vulnerabilities stemming from emerging markets had increased over the past six months and China was still "of particular concern", despite a decline in volatility since the summer.

The rout in Chinese stock markets over the summer triggered a sharp drop in equity indices across the world driven by concerns over a slowdown in China. The tailspin in global markets was one factor behind the pledge by eurozone policymakers to consider injecting more stimuli into the bloc's economy from December 3.

The review said that although economic prospects in advanced economies such as the eurozone had improved and banks in the single currency area had little direct exposure to emerging market economies outside Europe, fears over China could still have an impact on the bloc because of the effect on global confidence.

Negativity would be likely to trigger a sell-off in riskier assets such as equities, highlighting concerns that the ECB has long held about an abrupt reversal of investors' willingness to take on more risk. Such a reversal would spark sharp falls in asset prices, which some economists warn are overvalued, and lead liquidity in financial markets to dry up.

The ECB said "misaligned" asset prices were "a key vulnerability". While property prices for the eurozone as a whole were broadly in line with historical norms, there were sharp divergences between countries. Governments and, to a lesser extent, private companies faced debt sustainability challenges.

The ECB looks set to inject more stimuli in early December, souping up its €1.1tn quantitative easing program of mostly government bond purchases and considering another cut to its deposit rate of minus 0.2 per cent.

However, in an indication of the competing interests that the ECB must reconcile in making that decision, Germany's Bundesbank on Wednesday issued its latest warning about the dangers posed by low interest rates to the German financial system.

Presenting its own financial stability report in Frankfurt, the Bundesbank said that a prolonged period of low rates could become "a serious problem" for some German banks in the medium to long term, especially if they started taking greater risks in an attempt to offset falling interest income.

The Bundesbank warned that German life insurers would also suffer as low rates would make it harder for them to meet their obligations to customers. In the worst of three scenarios looked at by the Bundesbank, 21 of the 83 insurers studied would fall short of capital requirements by 2025.

The ECB's stability review did sound a note of cautious optimism on the eurozone economy, saying it had "weathered challenges on several fronts" during the past six months. As well as the China-triggered sell-off, those challenges included the intensification of the Greece crisis over the summer.

While significant amounts of non-performing loans remained a concern for the region's banks, profitability and solvency had improved.

Outside the banking sector, the threat posed by shadow banks — such as investment funds — had risen.

"With the rapid growth and interconnectedness of this sector, in particular the investment fund industry, vulnerabilities are likely to be accumulating below the surface," the report said.

"A more widespread use of synthetic leverage and the increasing prevalence of demandable equity imply that the potential for a systemic impact is increasing, should the investment fund industry come under stress."

The U.S. Is the Most Unequal Developed Economy Outside Southern Europe

NEW YORK (Bloomberg) - **The developed world's most unequal economies are in struggling southern Europe, closely followed by the U.S.**

That's according to a new report from Morgan Stanley, where analysts looked at indicators including the gender pay gap, involuntary part-time employment and Internet access. The bank also found that the rise of economies such as China and India has helped drive down inequality between countries, even though inequality within many individual has grown. Since the mid-1980s, income inequality has risen the most in Sweden when looking at developed economies. Even after that increase, Sweden (along with the rest of Scandinavia) still had the lowest levels of inequality.

Persistent inequality hurts economic growth over the long run, according to the bank. By hindering access to opportunity, it undermines incentives to work hard, get more education and improve skills. It may undermine trust in policy makers and social institutions, and lead to economic policy solutions such as increased market regulation, protectionism and anti-immigration measures.

"Past generations of middle-class families, emerging from the post-WWII period, could aspire to improving living standards, with a reasonably sized house, a good education for their children" and dependable pensions, Morgan Stanley economists said in their report Tuesday. "In contrast, middle-class aspirations are now running up against the wall of job and retirement insecurity."

Still, some investors are well-positioned to profit from the growing inequality gap.

Greater product differentiation, with more price and quality options at the top and the bottom, will probably continue, Morgan Stanley said. That will benefit companies such as Nestle SA, which is successful in catering to both higher- and lower-income customers by simultaneously offering luxury and affordable products, according to Morgan Stanley.