

# OPEC, Non-OPEC Producers Set for Deal



OPEC headquarters in Vienna

VIENNA (Dispatches) - The Organization of the Petroleum Exporting Countries (OPEC) is expected to clinch a deal with non-OPEC producers to reduce oil output.

OPEC has started a meeting with producers from outside the group in Vienna on Saturday amid hopes that non-OPEC producers will commit to slash 600,000 barrels per day as part of efforts to prop up crude prices.

Non-OPEC producers including Azerbaijan, Kazakhstan, Oman, Mexico, Russia, Sudan, South Sudan, Bahrain and Malaysia were expected to take part in the meeting.

Russia, a major non-OPEC crude producer and Saudi Arabia, OPEC's number one crude exporter have already announced that the agreement appears increasingly likely.

Meanwhile, Russia's Energy Minister Alexander Novak said he didn't "see such risks (of a deal failing)."

On November 30, the Organization of the Petroleum Exporting

Countries clinched a deal to cut oil output to a ceiling of 32.5 million barrels a day (bpd).

The oil cartel agreed to decrease its production by 1.2 million bpd to contain crude supply glut.

OPEC exempted key member Iran from cutting output, allowing the country to increase its crude production by 90,000 bpd to reach pre-sanction output levels of 4 million bpd.

Crude prices soared more than 12 percent after OPEC announced output cut agreement.

On Friday, Brent crude for February delivery was gained 29 cents and settled at \$54.18 a barrel.

Also, U.S. crude for January delivery rose 66 cents and reached \$51.50 a barrel.

Crude prices have more than halved in the since 2014 after Saudi Arabia raised output sharply in an apparent effort to drive higher-cost producers such as U.S. shale firms out of the market.

OPEC establishes high-level committee for monitoring oil production

OPEC establishes a high-level committee to monitor oil production, according to the Minister of Energy of Qatar Mohammed bin Saleh al-Sada.

"The 171 extraordinary meeting of OPEC countries set up a high-level committee that was tasked with giving recommendations on implementation of the new production levels for OPEC member countries, as well as developing a framework for high-level consultations between OPEC and non-OPEC countries," he said.

He added OPEC and non-OPEC countries should create an institute on cooperation in the oil market

"We also believe it is vital to institutionalize the basis of cooperation between OPEC and non-OPEC countries to help with decision-making mechanism," he said.

Mexico is ready to cut oil production by 155,000 barrels per day, Venezuela's Oil Minister Eulogio del Pino told journalists.

"Yes, Mexico will reduce production by 150,000," he said, responding to a question.

## Iranian Envoy Urges Boost in Tehran-Islamabad Trade Ties

ISLAMABAD (Dispatches) - Iran's Ambassador to Pakistan, Mehdi Honardoost urged Pakistan to step up efforts for early finalisation of the free trade agreement (FTA). Iran's Ambassador to Pakistan Mehdi Honardoost highlighted the importance of enhanced business ties between Tehran and Islamabad, calling on the two countries to raise their bilateral turnover in various spheres.

Mr. Honardoost said Pakistan and Iran have tremendous potential to promote bilateral trade in various sectors, but lack of payment mechanism through banking channels was the major hurdle in realizing these goals. He said one Iranian company made an initial investment to bring electricity from Iran to Gwadar but it was not getting a positive response from Pakistan. He assured that his embassy would fully cooperate with Pakistani business community in enhancing trade with Iran. The ambassador emphasized that Iran and Pakistan had tremendous potential to step up bilateral trade in various spheres, but lack of a payment mechanism through banking channels was a major obstacle in the way of realizing the goals.

"Despite a preferential trade



Mehdi Honardoost

agreement between Pakistan and Iran, Tehran's trade with Kabul is five times more than that with Islamabad," the envoy further said.

Back in March, high-ranking officials from Iran and Pakistan signed six memorandums of understanding (MoUs) to strengthen bilateral cooperation in various areas, including health, commerce, security and foreign services.

Both sides estimate to increase bilateral trade to \$5bn from the existing \$1bn in the next five years in the wake of the FTA.

Meanwhile Member of Pakistan Automotive Manufacturers

Association (PAMA) says Pakistan is going to produce KIA vehicles with the collaboration of Iran.

Sohail Bashir Rana said that, Kia is in talks with Pakistani 'Lucky' Company to restart manufacturing facility in Pakistan.

He said that Iran and Pakistan have been collaborating in manufacturing of vehicles mainly the tractors.

Member PAMA said that in past Millat Tractors of Pakistan had collaboration with Iran Tractor Manufacturing Company and Sarzan Motors for making the tractor components.

## Two Wings of Tehran & Moscow Ready to Fly



Iran and Russia have made their mind to expand their commercial and economic relations

TEHRAN (Shana) - Iran and Russia have made their mind to expand their commercial and economic relations at a time when their volume of trade was less than one billion dollars a year before start of the current Iranian government tenure.

The senior officials of the two countries serve as a strong backing for the ties.

Not much time passes since the 171st OPEC session. The phone conversation of Iranian President Hassan Rouhani and his Russian counterpart Vladimir Putin one day before the OPEC November 30 session served as a U-turn in the events. The result of the contract was economy dominating politics with the backing of political relations. Rouhani and Putin stressed that more coordination among all the oil producers globally is necessary and they agreed that in that way they will have necessary coordination.

The result of such cooperation was evident in the OPEC 171st session which agreed on 1.2 mil-

lion barrels per day cut in oil production in the first six months of 2017. The non-OPEC states, on the other hand, promised to reduce their oil production in the period by 600,000 barrels per day. Today, the OPEC-non-OPEC session is underway in Austrian capital and just one step is left to restoration of stability to the market and price hike.

Iran's Minister of Petroleum Bijan Zangeneh and Russian Minister of Energy Alexander Novak might be considered as leaders of the OPEC-non-OPEC session. After today's meeting, the two ministers are to meet in Tehran on Tuesday to launch serious discussions on expansion of oil cooperation. Expansion of the Tehran-Moscow relations has been on agenda of the leaders of the two countries.

To this end, Iran-Russia energy committee is to convene for the first ever in Tehran on Monday with Deputy Minister of Petroleum for International and Trading Affairs Amir-Hossein Zamaninia and Russian Deputy Minister of

Energy.

Iran-Russia energy cooperation is not the only point of focus. Big Russian companies like Lukoil and Gazprom, Rosneft and other major Russian companies are highly interested in cooperation with Iran. Late September this year, Managing Director of Lukoil Vagit Alekperov met Zangeneh and then told reporters, "Besides the Ab Teymour and Mansoori fields, Lukoil has undertaken study on Persian Gulf and we will announce it in the near future."

Per two separate Memoranda of Understanding (MoU) Iran has also entrusted studies on Dehloran oil fields to Russian Tatneft and the joint fields of Aban and Paydar Gharb to Zarubezhneft.

The Tehran-Moscow plan for expansion of relations is highly extensive; perhaps, the visit of Russian President Vladimir Putin to Tehran to take part in the 3rd Summit of the Gas Exporting Countries' Forum (GECF) in December 2015 can be considered as the prelude to start of serious relations between the two sides. During the few hours short trip, Putin met and conferred with Supreme Leader of Islamic Revolution Ayatollah Seyed Ali Khamenei and senior statement of Iran. December has come again.

Thanks to successful measures of the current administration, volume of economic relations between Iran and Russia has reached about 1.7 billion dollars. The ties received about 30 percent growth in 2015 as well. Based on the new statistics available, in the past nine months, volume of trade rose by more than 70 percent compared to that in the corresponding period in 2015.

## France's Imports From Iran Skyrocket

TEHRAN (Tasnim) - France's imports from Iran in the first nine months of 2016 show a staggering 34-fold rise compared to the corresponding period last year, thanks to resumption of oil imports after coming into force of the Joint Comprehensive Plan of Action (JCPOA).

Iran-France trade has tripled since implementation in January of the JCPOA, a nuclear agreement between Tehran and the Group 5+1 (Russia, China, the US, Britain, France and Germany), according to figures from EU's statistical office Eurostat.

Iran has experienced a positive balance of €383 million in trade with France during the nine-month period, after resumption of crude exports to Europe's biggest purchaser of Iranian oil.

France's imports from Iran in January-September 2016 stood at €842 million, more than 34 times greater than the same period in 2015.

The European country's imports from Iran averaged €34.4 million from 2014 until 2016, and reached €229 million in August 2016.

## Italy Set to Nationalize World's Oldest Bank

ROME (Independent) - Italy is set to nationalize Banca Monte dei Paschi di Siena, the world's oldest bank.

The organization, founded in 1472, currently has five million customers but is weighed down by €360bn (£305bn) of bad debts.

Italy's third largest lender was the worst performer in annual stress tests on 51 major lenders across the EU.

After the European Central Bank (ECB) refused to give the organization any more time to secure private funding, the Italian Government felt there was no option left but to intervene.

The value of shares for the bank plummeted 16 percent before trading was suspended and junior bonds is-

sued by the organization fell by half within minutes.

"The ECB is committing a grave error. It is unacceptable," said Antonio Damiani, head of the banking union CGIL, the Telegraph reported.

"There must now be an immediate public rescue to secure Monte Paschi and head off any systemic risk for banks in trouble. This is a matter of urgent national interest," Mr Damiani added.

There has been dismay at the ECB's decision not to provide a temporary stop-gap solution for the bank, particularly given the political crisis currently facing the nation following the resignation of Prime Minister Matteo Renzi.