

China's Railway Giant Signs Deal to Supply Metro Cars to Iran



TEHRAN (Dispatches) - China's CRRC Nanjing Puzhen Rail Transport on Wednesday signed a contract with Iran's IDRO Group to supply 450 metro cars for the Iranian cities of Ahvaz, Tabriz and Shiraz.

The company, a subsidiary of China's railway giant CRRC Corps, undertook to provide funds up to 85% of the project as well as

parts for assembly at Iranian train manufacturing company Wagon Pars, IDRO Managing Director Mansour Moazzami said.

"In order to make maximum use of domestic capabilities in the field of rolling stock manufacturing, the contracting party was required to cooperate with the Wagon Pars company of Arak," he said.

"Hence, the production and supply of wagons needed compatible with world-class technology will be carried out for the first time at Wagon Pars in partnership with a foreign company with an investment of 25 million euros," Moazzami added.

Another Chinese company signed a deal with Iran's Ministry of Roads and Urban Development to build a railway between the cities of Shiraz and Bushehr in the country's south with \$700 million of investment.

The Export-Import Bank of China (EXIM) has signed a \$1.5 billion deal to finance the electrification of a high-speed rail line being built by Chinese companies between the Iranian cities of Tehran and Mashhad.

The Swiss embassy in Tehran said Stadler would put the wagons in service from the end of 2020 in the Iranian capital and its western suburb of Karaj.

However, news and information platform Swissinfo said on Friday the

company had denied the report, saying that there was no deal or decision but merely a public tender.

Iran has announced plans to invest \$25 billion over the next 10 years in the modernization and expansion of its railway network. Under the plan, Iran seeks to stretch out the nationwide railroad line to 25,000 kilometers by 2025 from under 15,000 kilometers now.

Moazzami said negotiations have been held on supply of 5,000 metro cars worth more than 6 billion euros, most of which have been finalized and will gradually be announced.

In July 2017, Iran's state rail company and its Italian counterpart signed a final agreement worth 1.2 billion euros (\$1.37 billion) to build a high-speed railway between the cities of Qom and Arak.

Later that month, French transport company Alstom signed a joint agreement for the construction of subway carriages in Iran.

Iran's Non-Oil Exports Exceed \$41bn

TEHRAN (Dispatches) - Iran's non-oil goods exports in the first eleven months of the current Iranian year (March 21, 2017 to Feb. 22, 2018) have surpassed \$41 billion.

"Iran's non-oil exports stood at a considerable five percent growth as compared to last year's corresponding period," the latest report released by Iran's Customs Administration (IRICA) said.

IRICA put the total non-oil exports value at \$41.69 billion, showing a significant 4.96 percent growth as compared to the same period last year.



Meanwhile, Iran's export of non-oil products to China since the beginning of the current Iranian fiscal year up to February 22, 2018 increased 11.29 percent as compared to last year's corresponding period, IRICA reported.

Iran's major export products during the period included gas condensates valued at \$6.33 billion, liquefied natural gas valued at \$2.509 billion, liquefied propane valued at \$1.338 billion, methanol valued at \$1.077 billion and light oils and byproducts except gasoline valued at \$1.067 billion, it added.

Volvo Deems Iran as Top Trade Partner in Trucks Manufacturing

TEHRAN (Dispatches) - Iran's representative office has been selected as the top trade partner of Sweden's Volvo Trucks in the Middle East and North Africa, Saipa Automaker announced.

The announcement came as managing director of Saipa Diesel has left for Sweden at the invitation of the company to receive Trade Conference Award and hold talks with the managing director and senior managers of Volvo Trucks.

The two companies have started cooperation in 1972 and have jointly produced FH, FM and F12 trucks in Iran.

During meetings between directors of Saipa Diesel and Volvo Trucks, various topics including

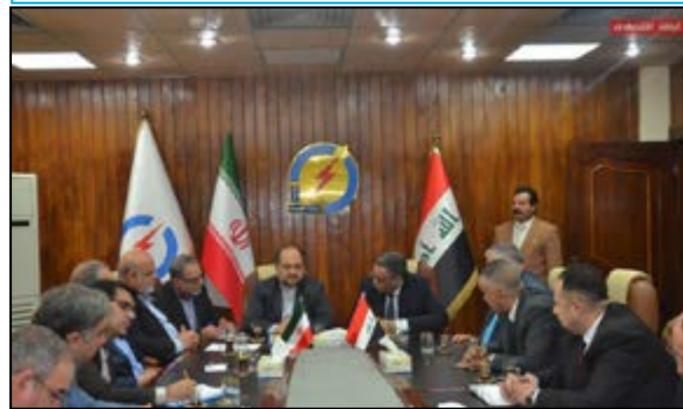
prerequisites for renovating the country's trade fleet, promoting self-sufficiency and home-made products by 50 percent and developing and reinforcing aftersales network were discussed.

After preliminary agreements, it was agreed the two sides undertake necessary studies in a short time and take actions to sign memoranda of understanding (MoUs).

Saipa Diesel was selected as the top trade partner of Volvo Trucks due to its range of orders and purchasing completely knocked down (CKD) for producing 3,200 Volvo trucks in 2017.

Volvo is the biggest producer of automobiles in Sweden.

Tehran, Baghdad Set to Broaden Electricity Cooperation



TEHRAN (Dispatches) - Senior Iranian and Iraqi energy officials in a meeting in Iraq have discussed broadening of relations in the fields of energy and electricity.

During the meeting in the Iraqi capital, Iranian Minister of Industry, Mine and Trade Mohammad Shariatmadari and Iraqi Minister of Electricity Qassem al-Fahadawi considered ways to consolidate bilateral ties in the field of energy and electricity.

Al-Fahadawi appreciated Iran for providing some part of Iraq the needed electricity, and expressed the hope that an upcoming visit of First Vice President Eshaq Jahangiri to Baghdad on Wednesday to be fruitful.

He said that his country intends to promote bilateral ties between the two countries in all fields.

Shariatmadari reiterated that

80 percent of Iran's electricity is generated in ordinary methods, 10 percent through hydro-energy and 10 percent through solar and wind energies.

"Iran has signed agreements with companies from 160 different countries in the world to provide electricity upon the most modern technologies," he added.

Iran is supplying parts of Iraq electricity for past several years and this caused electricity crisis to be reduced in some cities, specially the neighboring cities of Iran.

Shariatmadari and the accompanying delegation arrived in Baghdad on Monday and had meetings with Iraqi minister of planning, minister of industry and mine, minister of housing and urban development.

Visit is at the invitation of Iraqi Minister of Planning and acting minister of Trade Salman al-Jumaili.

Total's Pouyanne Gambles on Middle East Oil

PARIS (Bloomberg) - The French oil giant became the first Western major to sign a deal with Iran following the end of sanctions, has added projects in Abu Dhabi and Qatar and Pouyanne said last week's \$450 million acquisition in Libya is one of his "best deals ever." He is expanding in the region even as some of his biggest rivals focus on politically safer U.S. shale.

"We're ready to take risks," Pouyanne has said.

In a way, Total is only bedding down in a region that has been prolific for the company for years. Pouyanne is chasing some of the lowest cost barrels in the Middle East and Africa and picking up assets as other Western companies exit from countries that have been torn by war and strife for years.

But it is also a gamble. In Libya, Total is buying in an area that occasionally comes under attack. In Iran, its deal is shaking due to Donald Trump renewing the sanctions waiver. And it risks stepping into the current diplomatic dispute between Qatar and the United Arab Emirates by investing in the two nations simultaneously.

"There is a risk in Libya. We're not naive," he said. "Having access to this concession which has plenty of resources is a good bet for the future."

Total became the first partner in a 40-year concession for Abu Dhabi's largest onshore oil fields in 2015, while Royal Dutch Shell Plc and Exxon Mobil Corp. -- which had also been in the country for decades -- passed on the opportunity. The following year, the French company beat competitors including Shell to replace AP Moeller-Maersk A/S in Qatar's biggest oil field. Total is now also keen to keep its interest in offshore concessions in Abu Dhabi.

"Pouyanne has a high risk tolerance," Helima Croft, commodities strategist at RBC Capital Markets LLC and a former analyst at the Central Intelligence Agency, said in Houston. "Take Libya: it's full of competing armed militias. We have seen significant Islamic State activity there too."

Part of Pouyanne's justification for expanding in politically risky countries could be the way Total sees future oil consumption playing out. While Shell and BP Plc see it flattening out in the 2030s, Total forecasts years of growing demand.

Total and its European peers trace a large part of their historical success to gaining access to big and cheap oil deposits in the Middle East and Africa. Yet, the energy world has turned upside down in the last decade as new technology unlocks massive reserves in American shale rocks. The speed of the transition caught some of the oil behemoths flat-footed. Most, including Shell, are now looking to catch up.

Pouyanne doesn't think Total really needs shale assets to grow. Middle Eastern barrels can be produced for as little as \$5, he said. The price of drilling rights in the Permian, the biggest shale-oil field in the U.S., has increased as production soared.

Marathon Oil Corp. wanted to invest in American shale and "exit from the risk" in Libya, making it easier for Total to convince it to sell, Pouyanne said.

Total has plenty of flexible oil assets that can adapt to price changes, so doesn't really need to be in shale, he said. And there are risks in the U.S. too with "plenty of class action and lawyers," he said.

"You have different risks in the world. There is not a perfect quiet place."

Russian Firms Could Sign Iran Oilfield Deals This Month: Novak

TEHRAN (Dispatches) - Russian Energy Minister Alexander Novak says his country's oil companies could sign contracts by March 21 to work on Iranian oilfields.

More than 10 different fields have been presented to Gazprom, Rosneft, Gazprom Neft, Zarubezhneft, Taftneft and Lukoil for development, Novak said.

"These companies made fairly good progress in negotiations. Our Iranian colleagues confirmed that specific contracts may be signed shortly," Tass news agency quoted him as saying.

Novak said Russian companies were open to partnership with other foreign entities to carry out oil projects in Iran -- something which Iranian officials have been encouraging as a way to guard against possible sanctions.

"I think such options are also possible. Everything will depend on a specific agreement," Novak said.

The three companies must form a consortium to solicit the National Iranian Oil Company (NIOC) for the contract to produce 30,000 barrels per day (bdp) of crude oil from the Susangerd field which is located 45 km from Ahvaz.

Novak's announcement came after NIOC Managing Director Ali Kardor said Saturday that Iran

would sign three oil deals before the end of the current Persian year this month which will include operation of the fields for 20 years.

Russian companies have signed a record number of initial oil and gas contracts with Iran since the lifting of sanctions on the Islamic Republic in early 2016.

Novak said Tuesday Iran was also ready to supply crude oil to Russia but that would depend on future agreements with the buyers of the oil.

Iranian and Russian officials have announced several times the imminent beginning of Iran's crude oil exports to Russia under an oil-for-goods barter scheme but it has never come through.

The arrangement dates back to 2014 under which Moscow would buy up to 500,000 barrels per day (bpd) of Iranian oil in exchange for Russian equipment and goods. It calls for swapping around 300,000 bpd via the Caspian Sea and the rest from the Persian Gulf.

For now, the two sides are considering shipping 100,000 bpd of Iranian oil to Russia, with supplies being "either physical or swap-based," Novak has said.

Kardor said in October that Iran was about to receive 50% of payment in euros and the rest in goods and services.

Trade to Boost Through Iran's Chabahar Port

TEHRAN (Dispatches) - Iranian officials said have said that in order to boost trade through Chabahar port, Iran is working to connect Chabahar's railway line to the railway network in the country.

Iranian embassy officials said the development of Afghanistan's railways to the north and east of the country could play a major role in expanding trade between Afghanistan, Iran and Central Asian countries.

"We are working to connect the Chabahar Free Zone to Afghanistan; to South Asia, to Arab countries, to Central Asia, through the national railway lines of Iran; in fact to the Caucasus region and via Turkey to Europe," said Sayed Qasim Zakari

economic advisor to the embassy of Iran.

Meanwhile, a number of businessmen have called for export companies to standardize packing in order to increase exports.

"It's clear that the issue of certifications and other issues have been raised; businessmen must standardize (packaging), and businessmen must invest in this and when they invest in packaging and processing, they themselves have to take responsibility and this is their job," said one businessman.

This comes as government seals deals to also open major air cargo routes in a bid to break the tradition of dependence on Pakistan as an import/export corridor.