

Rouhani: Gas Production in South Pars Doubled

TEHRAN (Dispatches) - Iranian President Hassan Rouhani announced on Sunday that the country's production of gas from South Pars field has doubled in the past four years, making Iran needless of importing gas from the neighboring states.

Briefing reporters after a cabinet meeting in Tehran, Rouhani said: "Gas production in South Pars has doubled in the past four years from 285ml/cubic meters to 555ml/cubic meters and it has nearly doubled." Rouhani told reporters after a cabinet meeting in Tehran.

"This year, we didn't need to purchase gas from any country," he added.

Rouhani also announced that Iran has inaugurated 5 phases of petrochemical projects in the current Iranian year (to end on March 20), adding that 5 other petrochemical complexes will be inaugurated next year.



He noted that 6 phases of the South Pars gas field have also been inaugurated in the current

year.

Earlier in January, Iranian Oil Minister Bijan Namdar Zangeneh announced that his country had overtaken Qatar in extraction of gas from the shared South Pars gas field.

Oman, Iran Resolved to Develop Banking Ties



TEHRAN (Dispatches) - Central Bank of Iran (CBI) Governor Valiollah Seif and Omani Foreign Minister Yusuf bin Alawi in a meeting in Tehran have agreed to broaden the banking relations between Iran and Oman.

During the meeting in Tehran, Seif and bin Alawi explored avenues for bolstering and reinvigorating mutual cooperation, especially in the economic and banking fields.

"Undoubtedly, this meeting is a favorable opportunity to establish banking relations between the two countries and we are making efforts to put banking and economic

relations under the spotlight more than ever," bin Alawi said during the meeting.

He reiterated that banking relations between Iran and Oman are growing thanks to the will and determination of the high-ranking officials of the two countries, and said, "We hope that beside growing diplomatic ties, our economic and banking relations will grow as we are neighboring countries."

The Governor of Central Bank of Iran Valiollah Seif, for his part, welcomed the presence of Omani banks in Iran to have switch services between the banking cards of the two countries.

"Besides having strong political and economic relations with Iran, Oman can act as a base for re-exporting Iranian goods and as a hub for international banking transactions of Iran," reiterated the Iranian official.

East Azarbaijan Non-Oil Exports Hit \$2bn

TABRIZ (Dispatches) - Deputy Governor of Azarbaijan province Ali Jahangiri said on Sunday the province has exported two billion dollars worth of products in first 11 months of the current Iranian calendar year (ending on March 20).

The figure experienced 8.6 percent of rise compared to the same period last year, Deputy Governor of the northwestern Iranian province, Ali Jahangiri, said on Sunday.

"The exports in total consisted of 45 percent of industrial goods, 12 percent of agricultural products, 11 percent of chemicals and petrochemicals and less than 10 percent of other commodities," Jahangiri said.



The goods were exported to Iraq, Turkey, Afghanistan, Armenia, Georgia, Azerbaijan Republic, Russia, Pakistan, Italy and Bulgaria, the official added.

Jahangiri also said that economic desks of Germany, Poland, Russia, Azerbaijan, Turkey, Armenia, Iraq and Syria are active in the province.

German Finance Ministry Pushes Free Trade at G20 Meeting

BUENOS AIRES (Reuters) - Germany's new finance minister Olaf Scholz warned on Sunday that protectionism could harm future economic prospects and said Germany would continue talks to dissuade the United States from imposing planned punitive steel and aluminum tariffs.

Scholz told reporters en route to his first meeting of G20 finance ministers and central bank governors that he would underscore the importance of free trade for the global economy when he meets U.S. Treasury Secretary Steven Mnuchin on Monday.

The world economy is growing together "and it should stay together" said Scholz, a member of the Social Democrats, junior partners in Chancellor

Angela Merkel's coalition government.

Free trade had a decisive role to play in securing future economic growth, Scholz said, adding, "That's why it would be difficult if protectionism played a bigger role."

Scholz said Germany had a "clear position" on the planned U.S. tariffs, and hoped further discussions with U.S. officials could help avert a looming trade war with the European Union.

German and other EU officials are pushing back against plans announced earlier this month by U.S. President Donald Trump to impose duties on incoming steel and aluminum. He also threatened to levy a tax on European cars if the EU did not remove tariffs and trade barriers on a range of goods.

Iran's Mines Sector Eye-Catching to Foreign Investors: CEO

TEHRAN (Dispatches) - The chairman of board of directors of Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO) Mehdi Karbasian said on Sunday that Iran is among the very few countries in the world that has enticed foreign investors with its untapped mineral sources.

"Inflow of capital to the country and foreign investment is one of the main sources for financing the target growth," Karbasian said.

The official said that as a result of international engagement and the moves by Iran's foreign ministry for attracting foreign countries; foreign financial resources entered the country.

"For political development as well as employment, Iran needs more foreign investment, particularly by the Iranian expatriates," he said.

"Despite the untouched mines, cheap energy, and the determination of the foreign investors, there are some international limitations, including pressures by the U.S. Federal Reserve on the European banks, and insurance firms and the shareholding companies are fearful of heavy fines, so they are approaching Iran slowly," he said.

Iran's director general of foreign investment in the ministry of industry, mine and trade Afroz Bahrami said that the foreign direct investment in the sector hit a new record of 3.2 billion dollars.

Death of Iran's Nuclear Deal Could Set Oil Bulls Loose

By Julian Lee*

NEW YORK (Bloomberg) - Former secretary of state Rex Tillerson put a break on President Donald Trump's desire to tear up the Iran nuclear deal. Rather than go against his top diplomat's advice, the president got rid of him, making it more likely that he will now pull the U.S. out of the agreement as early as May 12, the next deadline for him to extend the waiver on the sanctions that are suspended by it.

The State Department doesn't seem to be entirely behind killing it. "We believe we can work within the nuclear deal," Brian Hook, director of policy planning, said after Friday's quarterly meeting of the joint commission overseeing the 2015 agreement. If his former boss's fate is anything to go by, Hook's time at Foggy Bottom may be limited. President Trump appears determined to nix it.

But there would be no point for the U.S. to withdraw if everybody else was just allowed to go on buying Iranian oil. If he does succeed in imposing new measures to slash the country's exports -- as he will surely seek to do -- the result would be a slump in Iranian flows that would make the decline in Venezuelan supply look modest by comparison.

And if he does it at his next opportunity, Iranian oil flows could begin to dry up just at the time when both OPEC and the IEA see the global oil market returning to supply shortage. In 2012, the imposition of tough sanctions targeting Iran's oil industry cut the country's exports by around 1 million barrels a day. A repeat would double the expected supply deficit in the second half of this year.

The government in Tehran argues that it is not seeing any of the benefits of inward investment that it was promised in return for giving up its nuclear program, though I've noted it is making slow progress in attracting investment from Russian and Chinese companies. However, the relaxation of sanctions has allowed it to boost oil production and sales by more than a million barrels a day from the beginning of 2016.

That recovery has come with a partial realignment of the country's oil flows. While the biggest jump in Iran's post-sanctions oil sales was to countries in the European Union -- principally Italy, Spain, Greece and France -- it's recovered only about three quarters of its pre-sanctions oil sales to that market. It has fared even less well in the developed Asian markets of Japan and South Korea, which together bought around half a million barrels a day of Iranian crude before sanctions were imposed. Combined crude oil shipments to these two countries now run at around half that level. In contrast, China and India have both become more enthusiastic buyers of Iranian crude, as their demand for imported oil soars.

The sanctions that bit so heavily into Iran's oil exports in 2012 had broad international support -- president Barack Obama convinced the European Union to ban imports, while Asian buyers were persuaded to reduce their purchases of Iranian oil by the threat of losing access to the U.S. banking system. Obama imposed sanctions on foreign banks that "knowingly conducted or facilitated any significant financial transaction with the Central Bank of Iran or another Iranian financial institution designated by the Secretary of the Treasury," though they got six-month waivers if they showed that they've "significantly reduced" Iranian crude purchases.

Both those restrictions were lifted as part of the Joint Comprehensive Plan of Action, as the nuclear deal is formally known. It is unlikely that the EU would be willing to re-impose its sanctions at the behest of President Trump. So how can he ensure that U.S. withdrawal from the nuclear deal has a real impact on Iran's oil exports?

One approach would be to impose similar banking sanctions, though he might balk at reviving his predecessor's approach. It's not a perfect solution, as, according to Credit Suisse analysts, buyers from China and India could switch to making payments in their local currencies, bypassing the U.S. banking system altogether. Still, their purchases probably couldn't increase enough to offset the likely drop in sales to Europe that would result.

I don't pretend to know how President Trump will seek to give his withdrawal from the JCPOA real teeth, but I'm pretty certain he will try. Doubling the global supply deficit would allow Saudi Arabia and Russia to reverse most of the output cuts they have made since the beginning of last year. It would also severely reduce the amount of available spare oil production capacity, just as geopolitical risks are rising. That will surely be bullish for oil prices.

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Shiraz Refinery Plans Euro-5 Gasoil Production

TEHRAN (Shana) - Iran's Shiraz Refinery has signed a deal with UK's Honeywell UOP for buying the license and basic design of a unit to produce Euro-5 gasoil, the refinery's CEO said.

UOP is a leading international supplier and technology licensor for the petroleum refining, gas processing, petrochemical production and major manufacturing industries.

The CEO of Shiraz Refinery Rahim Shamsadini said the deal concerns license purchase and basic design of a plan to promote the quality of petroleum products produced by the refinery.

The project is to be developed for production of 26,000 barrels per day of Euro-5 gasoil, the CEO said.

Accordingly, a hydrogen refining unit for gasoil will be built in the refinery to improve the quality of its output by reducing the



gasoil's sulfur content consistent with the required standards.

Besides reduction of sulfur content of the gasoil, its Cetane number will increase from 2 to 5, he added.

Cetane number, Cetane rating or CN is an indicator of the combustion speed of diesel fuel

and compression needed for ignition.

Currently, the plant is being fed by 60,000 b/d of crude oil and supplies 26,000 b/d of gasoil with around 6,000 ppm of sulfur.

Once operational, the unit will bring the gasoil's sulfur content to 10 ppm.