

OPEC Agrees to Extend Key Oil Output Cut Deal



Iran's Oil Minister Bijan Zanganeh speaks with reporters. (file photo)

TEHRAN (Press TV) - The Organization of the Petroleum Exporting Countries (OPEC) has agreed to extend until March 2018 an oil output cut deal that was sealed last year to help shore up prices.

The cuts would lower the collective production of producers by 1.8 million barrels per day (mb/d).

A dozen non-members led by top oil producer Russia, which reduced output in tandem with OPEC, would also join the scheme.

OPEC members Nigeria and Libya would still be excluded from cuts as their output remained curbed by unrest.

Iran would also be allowed to keep its oil production by 3.8 mb/d over the next nine months.

The country has been exempted from the existing six-month oil output cut deal that would expire in June.

Iran's Oil Minister Bijan Zanganeh told reporters on the sidelines of the OPEC meeting that Iran's oil production would not change as it stood around the same level that the Organization announced in its meeting in Vienna.

Saudi Energy Minister Khalid al-Falih praised what he described as OPEC's consensus over the move.

"We do have consensus. My job has been very easy. There is great solidarity among members," Falih said.

"I think everybody sees the benefits and everybody appreciates

this collective action."

Iraq's Oil Minister Jabbar Ali Hussein Al-Luiebi said his country strongly supported extending the oil output cut deal.

"We fully support nine months... it will have more impact on the market... stability and the prices, it will have more benefit in 9 months and we think it is a period that will have more stability in the market," he said.

OPEC cuts have helped to push oil back above \$50 a barrel this year, giving a fiscal boost to producers, many of which rely heavily on energy revenues and have had to burn through foreign-currency reserves to plug holes in their budgets, Reuters reported.

Iran, Russia Seal Oil-For-Goods Barter Deal – Report

TEHARN (Dispatches) – Iran has reportedly signed an agreement with Russia under which it will sell crude oil to Russia in exchange for products.

The announcement was made by Iran's Oil Minister Bijan Zanganeh, as reported by Russia's RIA and TASS news agencies.

"The deal has been concluded. We are just waiting for the implementation from the Russian side. We have no difficulties; we signed the contract, everything is coordinated between the parties. We are waiting for Russian oil companies to send tankers," he said.

Iran's ministry of petroleum is yet to officially confirm the report by the Russian media.

The agreement was initially reached in 2014 when Iran was under Western sanctions over its nuclear program.

Russian traders were to participate in the selling of Iranian oil. In exchange, Iran wanted essential goods and technology from Russia.

When the sanctions against Tehran were lifted in 2016, Russian Energy Minister Alexander Novak

said the deal was no longer necessary.

However, Novak said in March 2017 that the plan was back on the table with Russia buying 100,000 barrels per day from Iran and selling the country \$45 billion worth of goods.

Novak had announced in February that Russia's state trading enterprise Promsirieimport has been authorized by the government to carry out the purchase of Iran's oil through the oil-for-goods program under study by both countries.

To the same effect, Zanganeh had been quoted by the media as saying that Iran would be paid in cash for half of the oil that would be sold to Russia. The due payments for the remaining half would be made in goods and services, the Iranian minister had said.

Iran Eyeing Key Oil Deals After Rouhani Re-Election

And also, Zanganeh says Iran expects to see a boost in foreign investment in its oil sector projects after the re-election of President Hassan Rouhani last week.

Zanganeh told media in an inter-

view that Iran specifically expected to sign investment agreements with global energy giants such as France's Total, Russia's Lukoil, Denmark's Maersk and Indonesia's Pertamina.

He emphasized that the new agreements could increase Iran's overall oil production capacity by around a quarter before 2022.

The development of new fields as well as improved oil recovery from mature reservoirs should allow Iran, OPEC's No.3 oil producer, to have the capacity to pump 5 million barrels per day (mb/d), or 5 percent of global crude, versus 4 million bpd now, media reported.

Gas condensate output capacity should increase to 1 million bpd from about 600,000 bpd now.

"One important step was the election, because in this election Iranian people said 'yes' to positive interaction with the world," Zanganeh said in Vienna after a meeting of the Organization of the Petroleum Exporting Countries.

"I hope this message will be understood positively ... It is not the time to trigger actions against Iran," he said.

UK Urged to Prepare for Workforce of 80-Year-Olds

LONDON (Financial Times) - The UK should prepare now for a workforce of 80-year-olds and impose faster pension age rises to avoid the pension savings gap blowing out to £25tn, according to the World Economic Forum.

The Geneva-based organization predicted a quadrupling of the current savings gap of \$8tn to \$33tn (£25tn) by 2050 if urgent action was not taken to tackle the challenges of an ageing population.

In a strongly worded report, which compared the global pensions crisis with the threat of climate change, the WEF identified the UK as one of several countries facing a "pensions time-bomb".

"The anticipated increase in longevity and resulting ageing populations is the financial equivalent of climate change," said Michael Drexler, head of financial and infrastructure systems with the World Economic Forum. "We must address it now or accept that its adverse consequences will haunt future generations, putting an impossible strain on our children and grandchildren."

According to the WEF, ageing populations, falling birth rates and gaps in access to pensions were the main sources of the widening "pension gap", defined as the shortfall in money needed for a retiree to keep their income at 70 per cent of pre-retirement levels.

The gap widens when income from state, personal and workplace pensions is inadequate to meet this replacement rate. To alleviate a looming pensions crisis, the WEF recommended a retirement age of 70 become the norm by 2050 in countries where future generations have life expectancies of more than 100, such as the UK.

U.S. Dip a Splutter Not a Slump, Says IMF Chief Economist



FRANKFURT (Reuters) - The dip in the U.S. economy is a "splutter" rather than a more serious downturn, the International Monetary Fund's chief economist said, though policy uncertainty in Washington was making forecasting increasingly difficult.

In an interview with Reuters, Maurice Obstfeld, who is nearing his two-year anniversary as the IMF's top forecaster, said China's economy was also slowing, though both the euro zone and Japan were performing better than expected.

The Fund's last set of forecasts in mid April nudged up its global growth projections to 3.5 percent for this year and 3.6 percent for next year.

Since then, however, there have been some shifts in the landscape.

A string of controversies surrounding U.S. President Donald Trump's administration have put his plans to cut taxes and increase infrastructure spending on the back-burner, taking some of the steam out of the world's top economy in the process.

Revised first quarter U.S. GDP numbers due later are expected to confirm it grew at less than 1 percent.

"We saw the weak first quarter in the U.S that we interpret as a splutter rather than a change in the fundamental trajectory of the U.S. economy ... A soft patch in other words," Obstfeld said on the sidelines of a City Week conference on Thursday.

"And in the second quarter we have seen China taking some pretty energetic measures to slowdown credit growth and get a better grip on what is going on in the shadow banking sector.

"That seems to have taken some of the froth out of the economy. So we see a bit of slower growth there."

It is too early to say for sure whether the two factors would see the IMF lower its next set of global forecasts in July.

The process is not yet in full swing, but the task is also being made more complicated than normal by a lack of clarity and mixed messages over U.S. policy.

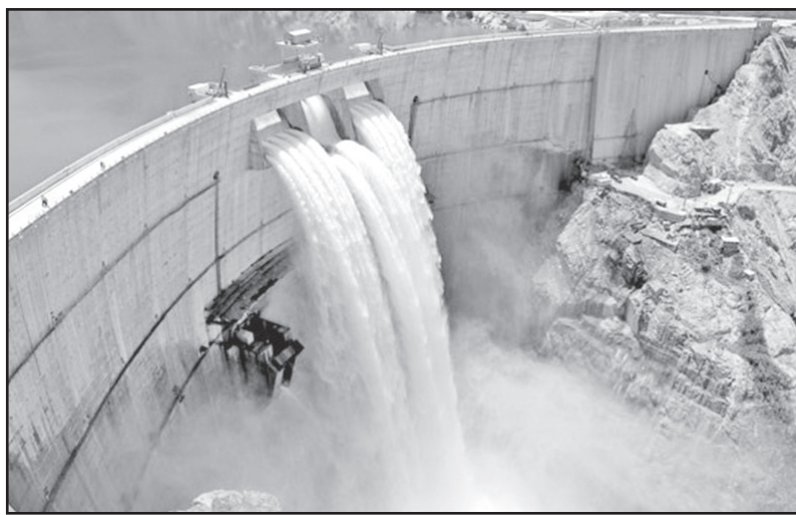
New Hydropower Plant Inaugurated

TEHRAN (Dispatches) – Iran has inaugurated a new hydroelectric power plant that increased the country's hydropower generation capacity to around 12,000 megawatts.

Energy Minister Hamid Chitchian opened the hydropower plant at 'Roodbar' dam, in Aligoodarz, the western province of Lorestan.

According to the minister, inauguration of the plant helped the total hydropower generation capacity of the country to reach 11,804 megawatts, around one-fifth of Iran's total electricity generation capacity.

Highlighting his ministry's grand policy of diversifying energy sources and reducing reliance on fossil fuels, Chitchian said good progress has been made in de-



veloping renewable energies by opening hydropower and solar power plants.

Last month, Iran opened its largest-ever solar plant in an area of 20

hectares near the central city of Isfahan. The plant, developed in co-operation with a Greek company, has an annual production capacity of 10 megawatts.

Tehran, Beijing Opt for Boosting Strategic Relations

TEHRAN (Fars) - Iranian Deputy Foreign Minister Ebrahim Rahimpour and his Chinese counterpart in a meeting in Beijing have underlined the need for boosting mutual cooperation between the two countries, specially in the strategic fields.

During the meeting in the Chinese capital, Rahimpour and his Chinese counterpart explored avenues for bolstering and reinvigorating bilateral relations.

"Iran's policies are based on bolstering and broadening strategic

relations with China," Rahimpour said, adding that drawing up a four-year plan is needed to help further expand relations between the two countries.

The meeting on Iran-China political consultation mechanism kicked off in China on Wednesday.

During the meeting, Rahimpour said the two countries had a very good relations during the economic sanctions, and called for further expansion of cooperation mainly

after the implementation of the Joint Comprehensive Plan of Action (JCPOA).

Referring to the plan named "One belt – One road" initiated by Chinese president, he highlighted the status of the Islamic Republic of Iran in this significant economic program and called China to expedite joint economic projects.

"Tehran and Beijing should broaden cooperation in economy, politics, culture and security," he said.