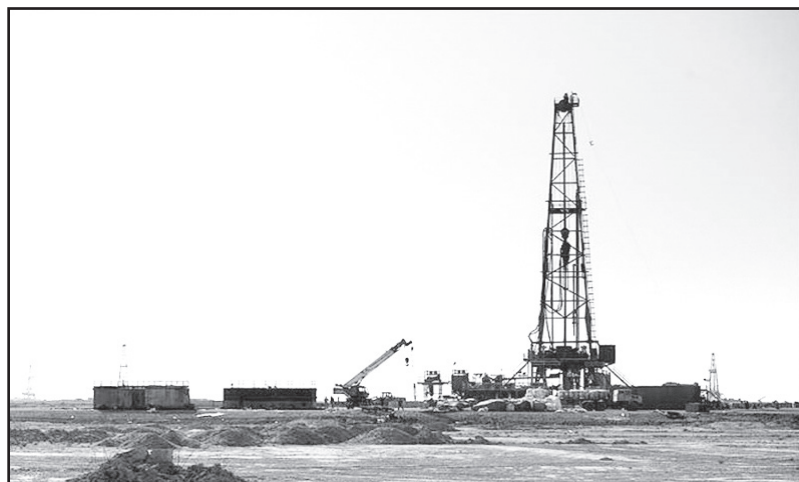


# 29 Int'l Companies Invited to Make Bids for Major Iranian Oil Project



TEHRAN (Dispatches) - A top Iranian official said the country is going to put development of its Azadegan oilfield out to tender in coming days, noting that 29 oil giants, including Shell and Total, have been invited to make their offers in the event.

Ali Kardor, CEO of the National Iranian Oil Company (NIOC), said on Sunday that Iran will hold the bidding event before Friday, June 2.

According to the official, invitations have been sent to 29 international companies to make offers for development of Azadegan oilfield, located in Iran's southwestern province of Khuzestan.

The major foreign companies include Shell, Total, CNPC, Sinioc, Lukoil, Pertamina, and OMV, he

added. In August 2016, Kardor had announced that development of Iran's big oil fields would be put out to tender using a new model of contracts known as Iran Petroleum Contract (IPC).

Azadegan, known as the world's third largest oil field, is believed to contain 37 billion barrels of crude.

Part of the giant oilfield, known as South Azadegan, is shared with neighboring Iraq.

## Petrochemical Deal With Shell Near

In another development, Iran says it also expects to sign an agreement with global energy giant Royal/Dutch Shell in the near future over a key petrochemical project.

Rahim Sharif Mousavi, the man-

aging director of Maroun Petrochemical Company, told the domestic media that talks with Royal/Dutch Shell was likely to end within the next few weeks.

Sharif Mousavi emphasized that the agreement with the company involved providing engineering services for production of ethylene oxide.

The official added that talks over the same scope were also progressing well with two Italian engineering companies including Maire Technimont. He emphasized that the discussions to that effect were also close to a final agreement.

"It is likely that the engineering contract with Royal/Dutch Shell would be finalized within the next weeks," Sharif Mousavi said. "It would be then that we would witness the start of work over the development of new projects in Maroun Petrochemical Company".

The National Petrochemical Company of Iran (NPC) announced last year that it had signed a basic agreement with Royal/Dutch Shell over the development of several joint petrochemical projects.

This followed an announcement by NPC chief Marzieh Shahdaei that her company had serious plans to increase production of petrochemicals to 160 million tons per year by 2025 from the current volume of 60 million tons per year.

## Talks Continue to Facilitate Exports of Iranian Carpets to Russia

TEHRAN (Fars) - Iranian and Russian officials have held a meeting to discuss ways to remove obstacles on the way of Iran's exports of its hand-woven carpets to Russia.

The meeting was held between Head of Iran's National Carpet Center Hamid Kargar and Head of Russia-Iran Joint Chamber of Commerce Vladimir Obidnov.

During the meeting, Obidnov referred to the Russian people's interest in the Iranian hand-woven carpets, and said the issues related to imports of the valuable product are

can be resolved through talks.

He expressed the hope that the first exhibition of Iranian hand-woven carpet would be held in Russia later this year.

Iran is the leading exporter of hand-woven carpets. Persian rugs are highly sought out for their intricate design and skilled craftsmanship, and that's why Iran exports carpets to more than 100 countries in the world.

Carpet-weaving is undoubtedly one of the most distinguished manifestations of the Persian culture and

art, and dates back to ancient Persia.

There is an estimated population of 1.2mn weavers in Iran producing carpets for domestic markets and international export.

The country produces about 5mn square meters of carpets annually of which 80 percent are sold in international markets.

The United States, Europe, China, Brazil, South and Central Africa, along with neighboring countries are the most important markets for Iranian made Persian Carpets.

## Oil Slips as More U.S. Drilling Outweighs OPEC-Led Cuts

NEW YORK (Reuters) - Oil prices slipped on Monday as further increases in U.S. drilling activity undercut an OPEC-led push to tighten supply.

Trading was subdued due to public holidays in China, the United States and Britain, but concerns lingered over whether OPEC action would be enough to stem the tide of oversupply.

Brent crude futures were trading down 15 cents at \$51.98 per barrel. The contract ended the previous week down nearly 3 percent.

U.S. West Texas Intermediate (WTI) crude futures were also down 17 cents at \$49.63 per barrel.

The Organization of the Petroleum Exporting Countries and some non-OPEC producers pledged last week to extend production cuts of around 1.8 million barrels per day (bpd) until March 2018.

An initial agreement, in place since January, would have expired in June this year.

Commerzbank analyst Carsten Fritsch called Monday's price moves little more than "intraday noise" but said hints of deeper cuts or a longer extension from OPEC left the market deflated after the final decision.

"They increased expectations to such an extent that nine months was a disappointment," Fritsch said.

High compliance with the cuts so far was unlikely to last, he said, adding to worries about whether the pledge would dent physical oil stockpiles that remain near record levels.

"The pain for OPEC will increase to such a point that 100 percent compliance is unrealistic," Fritsch said.

Despite ongoing cuts, oil prices have not risen much beyond \$50 per barrel.

OPEC's success in drawing down inventories may hinge on output in the United States, which is not participating in the cuts. U.S. production has soared 10 percent since mid-2016 to more

than 9.3 million bpd, close to top producer levels Russia and Saudi Arabia.

U.S. drillers have added rigs for 19 straight weeks, bringing the total 722, the highest number since April 2015 and the longest run of additions on record, according to energy services firm Baker Hughes Inc.

Almost all of the recent U.S. output increases have been onshore, from so-called shale oil fields.

Even if the rig count did not rise further, Goldman Sachs said it estimated U.S. output would increase by 785,000 bpd between the fourth quarter of 2016 and the fourth quarter of 2017 across the Permian, Eagle Ford, Bakken and Niobrara shale plays.

Analysts say that reducing bloated global stocks will be key to reining in oversupply.

"It's going to be all about inventories and whether they fall as much as OPEC thinks," said Greg McKenna, chief market strategist at futures brokerage AxiTrader.

## Iran Khodro, Siemens Ink MoU to Broaden Cooperation

TEHRAN (Dispatches) - Iran's leading carmaker, Iran Khodro, and German-based Siemens company have signed a memorandum of understanding to expand bilateral ties.

The MoU was signed on the sidelines of Iran's International Exhibition of Control, Instrumentation and Automation.

Iran Khodro and Siemens agreed

to share know-how and expertise in the fields of marketing, participating in tenders, designing, supplying, installation and setting up the projects as a strategic partner.

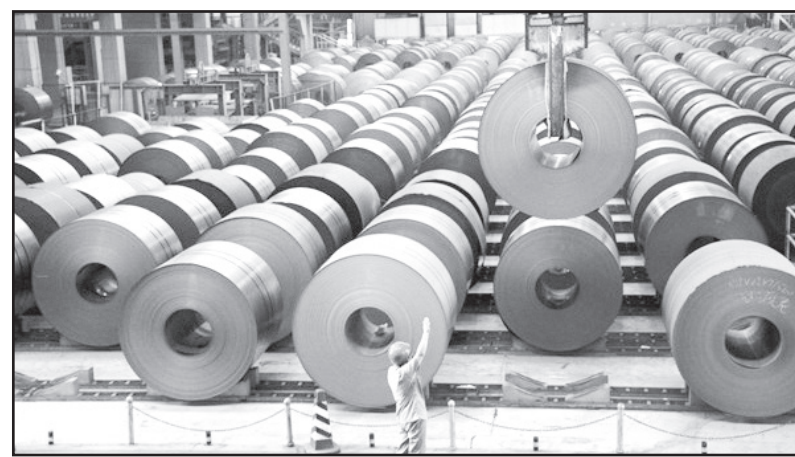
The MoU focuses on cooperation in automotive, mining, oil, gas and petrochemical industries.

And also earlier in March, a senior German trade official called

for broadening of mutual cooperation with Iran in different economic fields.

"Iran and Germany have many capacities to deepen their trade relations," Managing Director of Bavaria's Business and Industries Association Bertram Brossardt said in a meeting with Iran's trade officials.

## Steel Output Chalks Up by 14.3%



TEHRAN (Dispatches) - Iran's steel output reached 6.369 million tons in the first four months of 2017, showing 14.3 percent increase compared with the similar period last year.

Iran, as the Middle East's second largest steel producer after Turkey, witnessed significant hike in its steel industry's production in since January 2017, a recent report released by World Steel Association said.

Iran also produced 5.61 million tons of direct-reduced iron during the four months, up 10.2 percent to remain the world's largest producer of DRI.

DRI, also called sponge iron, is produced from the direct reduction of iron ore to iron by a reducing gas made from natural gas or coal. It is most commonly made into steel using electric arc furnaces. About 70-75% of Iranian mills use electric arc furnaces.

## 'EU Needs Simple Capital Rules for Euro Zone Banking Union'

PARIS (Reuters) - The European Union needs to set simple rules on bank capital to complete its project of bringing banks in the euro zone under a sole EU supervisor, ECB Governing Board member Francois Villeroy de Galhau said on Monday. Speaking in his role as head of the ACPR French financial sector regulator, Villeroy said the EU also needed better coordination between the European Central Bank's single supervisor, the European Commission and national regulators.

"Two and a half years after banking union, there has been clear progress, but its construction is not yet finished. We need to finish the resolution pillar with completed and more simple rules," Villeroy told journalists in Paris.

Villeroy also called for a rapid solution to bank troubles in



Italy and Portugal, saying it was "not normal" that local problems weighed on overall European banking sector.

Following the launch of the single EU bank supervisor for the euro zone, regulators have focused on coming up with new global minimum bank capital rules in the

Basel Committee of supervisors.

Banks have dubbed the remaining capital rules "Basel IV", meaning a step change in capital from Basel III, the existing set of rules that were rushed through after the 2007-2009 banking crisis and aimed to toughen up capital requirements.

## Russian Wheat Prices Up As Risks for New Crop Rise



Russian farmers are concerned about the new harvest due to excessively wet and cold spring weather in Russia.

MOSCOW (Dispatches) - Russian wheat export prices rose further last week due to concerns that cold and rainy weather in May could hit the quality of the harvest and also due to a stronger rouble currency, analysts said on Monday.

Farmers are becoming more concerned about the new

harvest due to excessively wet and cold spring weather, Russian agricultural consultancy SovEcon said. Many farmers still expect a good crop but predict more modest quality.

"The development of sowings is lagging behind schedule. The cold weather of the past weeks has negatively affected the potential yields of sugar beet, soybeans and barley. The risks of disease development are rising," it said.

SovEcon and IKAR, another Moscow-based consultancy, both said that Black Sea FOB prices for Russian wheat with 12.5 percent protein content rose \$1 at the end of last week from a week earlier to \$186.50 and \$186 per ton, respectively.

SovEcon pegged prices for the new crop for July-August delivery at \$172-175 a tonne, up \$1.50, while IKAR put prices at \$174, unchanged from the previous week. The rouble rose 0.7 percent against the dollar last week, helped by stronger oil prices.