

Japanese, Korean Firms to Fund Siraf Refineries



An aerial view of the offshore facilities of Iran's Assaluyeh energy zone which provide a large portion of the feed for nearby projects, including Siraf refineries.

TEHRAN (Press TV) - A consortium of South Korean and Japanese companies has signed agreements to fund and implement a chain of condensate refining projects in southern Iran - a project known as the Octopus of the Persian Gulf.

The agreements were signed between South Korea's Daelim and Hyundai as well as Japan's Chioda - all partners in the project to construct Siraf refineries in Iran's southern province of Bushehr.

The combined value of the investments in Siraf could be around \$3 billion, Iran's IRNA news agency

reported.

A majority of the funding - \$2 billion - would be provided by the Export-Import Bank of Korea (KEXIM) as well as the Korea Trade Insurance Corporation (K-Sure). The remaining \$1 billion would be provided by Japanese financial institutions including Nippon Export and Investment Insurance (NEXI).

The project could increase Iran's refining capacity by 22 percent and would also increase its production of petrochemicals by 57 percent.

The period of the project would be four years and would fetch Iran \$13

billion per year, IRNA added.

The Siraf refineries project - considered as one of the largest in the world - consists of eight independent gas condensate refineries with the total capacity of 480,000 barrels per stream day (bpsd).

Hydrocarbon condensate feed will be mainly supplied from existing gas refineries in the nearby Assaluyeh energy zone which hosts South Pars gas field.

The project is expected to produce a daily total of (8x1,912) barrels of LPG, (8x15,071) barrels of light naphtha, (8x20,998) barrels of heavy naphtha, (8x10,236) barrels of kerosene (jet A1), and (8x10,835) barrels of gas oil with Euro-V specifications.

Earlier in June, Iran's Petroleum Minister Bijan Zanganeh in a decree identified Siraf as a top priority of the Ministry of Petroleum that he emphasized needed to get off the ground as soon as possible.

Preceding Siraf in terms of priorities was the Persian Gulf Condensate Refinery (PGCR) that has already started early production and is near full completion. Once developed, the PGCR is expected to have a refining capacity of 360,000 bpsd.

Jahangiri: Deal With Total Showed Failure of U.S. Sanctions



TEHRAN (Fars) - Iranian First Vice-President Eshaq Jahangiri has underlined that the country's contract with France's giant oil company, Total, to develop the phase 11 of the South Pars was the failure of the U.S. sanctions policy against Tehran.

The Americans imposed sanctions against Iran and emphasized that no one dares to invest over \$20million in the Iranian oil industry and this contract should be regarded as their defeat and the failure of those sanctions preventing investment in Iran, Jahangiri said.

"Our priority will be given to the country's economic development," he added.

Earlier this month, Iran signed a \$5 billion agreement with France's Total SA and a Chinese oil company to develop its massive offshore natural gas field, the first such deal with foreign companies since the landmark 2015 nuclear deal.

Officials signed the agreement in Tehran. The agreement will see the firms develop a portion of the massive South Pars offshore field, which Iran shares with Qatar.

Total has a 50.1-percent share in the deal. The state-owned China National Petroleum Corp. has 30-percent stake and Iran's Petropars has 19.9 percent.

The deal includes 30 wells and two production units.

Officials anticipate the deal will see gas production increase to nearly 600 million cubic meters from the current 540 million cubic meters.

Iran Wants Greater Engagement of Turkish Firms in Oil Projects

MOSCOW (Dispatches) - Deputy Petroleum Minister Amir Hossein Zamaninia has said Tehran would like Turkish companies to be more actively involved in Iran's upstream and downstream projects.

Speaking on the sidelines of the 22nd World Petroleum Congress in Istanbul, Zamaninia said: "We will welcome greater engagement by Turkish companies into Iranian upstream and downstream projects."

The five-day run of the World Petroleum Congress started in Istanbul on Sunday. The event

gathers over 5,000 people from around the globe, including some 50 ministers and 500 policymakers.

"Turkey already purchases oil and gas from Iran under long-term deals, with one of them being bilateral 'Gas Sales and Purchase Agreement' of 1996 for the purpose of supplying 10 billion cubic meters of Iranian natural gas per year to Turkey," Zamaninia noted.

"We need to work together to find projects that suit both companies in Turkey and Iran of which there are plenty," Zamaninia stressed, noting that Ankara and Tehran possessed

multiple common grounds for investment.

Iranian official said that the country's daily gas exports were expected to reach 365 million cubic meters by 2021.

Meanwhile, the overall gas industry output in Iran would hit 1 billion cubic meters per day by the end of 2017, the deputy minister added.

According to Organization of the Petroleum Exporting Countries (OPEC) data, Iran exported 8.567 billion cubic meters of natural gas in 2016.

Iraq to Need Iranian Natural Gas for Next 7 Years

TEHRAN (Tasnim) - Iraq will be in need of sustained supplies of Iranian natural gas for the next seven years to operate its power stations, the Arab country's electricity minister said, according to local media reports.

The need for the Iranian gas is because of the fact that natural gas produced from the Iraqi fields in southern Basra province is not sufficient to maintain the generation of electricity, Qassem al-Fahdawi has said.

Gas from Basra fields cannot be directed to power generators directly before a process of refining and insulation, according to the minister.

"Over the past two years, the ministry added a huge amount of that gas and we hope it increases further," the Iraqi News quoted Fahdawi as saying.

"New stations are entering into service soon, hence the country's need for gas imports".

The minister, however, noted that

this need for gas could diminish after planned fields for the production of non-associated gas come into service, such as Siba, Mansouriya and Western Anbar.

Iraq began exporting gas to Iraq in June after several years of delays. The export deal signed in 2013 was hampered by Iraq's unstable security situation.

Exports started at nearly 7 million cubic meters per day and are meant to eventually reach 35 million cubic meters per day.

U.S. Seeks to Renegotiate South Korea Trade Deal

WASHINGTON (BBC) - The U.S. has told South Korea it wants to renegotiate a free trade agreement it struck in 2012, citing a lopsided trading relationship.

It called South Korea a "key trading partner" but said it "had real concerns about our significant trade imbalance".

The U.S. trade deficit for goods and services with Korea was about \$17bn last year, although it recorded a surplus in services.

The move is the latest attempt by Donald Trump to alter trade terms.

The U.S. president wants to overhaul the North American Free Trade Agreement and has threatened tariffs on foreign products, such as steel.

He also withdrew from the 12-nation Trans Pacific Partnership agreement in January.

South Korea is a major U.S. trade partner, with the U.S. exchanging about \$144.6bn



South Korea President Moon Jae-in visited Washington last month

(£112bn) in goods and services with the country last year.

The Obama administration had said the 2012 free trade agreement - described at the time as the most significant in 16 years - would boost U.S. businesses.

But exports of American goods to the country have declined almost 3% since the deal came into effect to \$42.3bn. At the same time, imports from South

Korea have increased by about 23%.

"We can and must do better," U.S. Trade Representative Robert Lighthizer said in a statement.

In an interview in April, Trump had called the agreement with South Korea a "horrible deal" and a "one-way street."

The administration has called for a joint session on the subject to occur within 30 days.

Euro Zone Trade Booms in May, EU-Russia Commerce Surges

BRUSSELS (Reuters) - Euro zone's trade boomed in May with both exports and imports of goods to the rest of the world growing markedly, in a new sign that global commerce was in good health.

The European Union, the world's main trader, also saw its trade increase with all its main partners, with a surge of exchanges with Russia despite economic sanctions on Moscow.

The European Union statistics office Eurostat said on Friday the 19-country currency area in May exported goods worth 189.6 billion euros (\$216.3 billion) to the rest of the world, an increase by 12.9 percent on the year.

Imports also grew yearly by 16.4 percent for a total volume of 168.1 billion euros, according to data not adjusted for seasonal factors.

Both figures were the second highest ever-recorded for the euro zone after the peak reached in March when exports were above 200 billion euros and imports stood at 176 billion euros.

The faster growth of imports compared to exports slightly reduced the bloc's trade surplus which stood at 21.4 billion euros in May, lower than the 23.4 billion surplus recorded in May 2016.

Commerce among the 19 euro zone states also increased by 15.3 percent in May on a yearly basis, for a volume of 162.4 billion euros of traded goods.

The European Union as a whole also recorded a 15.9 percent surge of exports to the rest of the world in May year-on-year and a 17.2 percent increase of imports, Eurostat said.

The 28-country bloc expanded its

trade with all its main partners in the period between January and May, with exports to the United States rising on the year 6.6 percent and to China 20.3 percent, while imports increased respectively 4.0 and 6.8 percent.

The highest increases were recorded with Russia, which overtook Switzerland as the third main source of imports for the EU.

Despite western economic sanctions imposed after Russia's annexation of Crimea in 2014, EU exports to Russia grew 24.6 percent between January and May, driven by manufactured goods and machinery, while imports, composed principally of oil and gas, surged by 37.6 percent.

As a result, EU trade deficit with Russia expanded in May to 29.5 billion euros from 18.9 billions the year earlier.

Britain Concedes It Will Have to Pay EU Exit Bill

LONDON (Financial Times) - Britain has for the first time explicitly acknowledged it has financial obligations to the EU after Brexit, a move that is likely to avert a full-scale clash over the exit bill in talks next week.

In a written statement to parliament touching on a "financial settlement", the government recognized on Thursday "that the UK has obligations to the EU... that will survive the UK's

withdrawal - and that these need to be resolved".

The text, released by Joyce Anelay, a Brexit minister, was immediately seen by Brussels as a potentially important development. EU diplomats say the wording "goes further" than Prime Minister Theresa May's previous reference to Britain being willing to reach a "fair settlement" of unspecified obligations.

As negotiators prepared for a round of talks on Monday, Britain's exit liabilities - estimated by the EU to stand at up to €100bn gross - were proving one of the biggest flashpoints. With Britain's exit set for March 2019, negotiators on both sides feared a protracted stand-off over money would waste valuable time and delay the point at which the EU decides "sufficient progress" has been made to start trade talks.