

# Pipeline to End Iran's Need for Turkmenistan Gas: Official



Turkmenistan.

The much-awaited gas pipeline is going to guarantee the steady supply of natural gas to the regions that experienced harsh winters in the past when neighboring Turkmenistan cut off gas supplies to Iran.

The project has been given serious attention over the past six months after Iranian Minister of Petroleum Bijan Zangeneh issued an order to complete the pipeline to end reliance on Turkmenistan, which has repeatedly halted gas supply to Iran in the wintertime.

Damghan-Neka pipeline is expected overcome the shortage of gas in the provinces of Semnan, Golestan, Mazandaran, North Khorasan, Khorasan Razavi, and South Khorasan, an energy official said.

Last winter, Turkmenistan breached a deal with Iran by cutting gas supplies. On January 1, Turkmen cut off gas supplies to Iran, saying Tehran should clear its outstanding debts, media reported.

Iran has imported natural gas from Turkmenistan since 1997 for distribution in the north of the country, furthest from the gas resources in the south.

Turkmens occasionally raise their prices in the wintertime. In a harsh winter in 2006, Turkmenistan cut off gas shipments and demanded a nine-fold price

TEHRAN (Shana) - Managing director of National Iranian Gas Company (NIGC) Hamid Reza Araghi said launching of Damghan-Neka gas pipeline will end Iran's need to import natural gas from Turkmenistan.

Araghi said Iran, however, will continue swapping gas with its northern neighbor with the aim of enhancing its relations with regional countries.

The pipeline which is about to officially come on-stream next week will sup-

ply 35 million cubic meters of natural gas per day to northern provinces of Iran.

"By launching the project, Iran will no longer be in need of importing gas from Turkmenistan and if Ashgabat decides to sever gas supply to Iran, the latter will be faced with no trouble to supply gas to its northern provinces," the official added.

The NIGC chief further voiced Iran's willingness to interact with its neighbors and remain engaged in gas swap with

*A much-awaited gas pipeline in Iran's northern areas, which will come on stream next week, is going to guarantee the steady supply of natural gas to the regions.*

## India's Hardball Tactic With Iran Backfires

TEHRAN (Press TV) - India's insistence to get exceptional concessions from Iran on the development of a giant gas field in the Persian Gulf has taken some toll on their trade ties.

The Indians have been demanding special treatment on the offshore Farzad B gas field which they discovered in 2008, trying to use oil imports from Iran as a bargaining chip in their talks.

Petroleum Minister Dharmendra Pradhan said last week that India's state refiners would import less Iranian crude oil in 2017-18, apparently in response to Tehran's refusal to submit to New Delhi's demands.

India wants Iran to grant development rights to the OVL-led consortium which discovered the field and give access to the gas from Farzad B at steep discounts, according to Iranian Minister of Petroleum Bijan Zangeneh.

Interestingly, the Indians were initially given that right but Iran had to put Farzad B on a list of projects for tender in 2014 after the other side dragged its feet on the field's development.

India launched a fresh bid after international interest grew in the field following Iran's nuclear accord in 2015, but failed again to submit a fresh development plan by September 2016 which it had to.

In May this year, Zangeneh said Iran had signed a basic agreement with Russia's Gazprom over the development of Farzad B, stressing that the country was not worried about India's decision to cut oil imports from the Islamic Re-

public.

"There should be sensible conditions in the negotiations. We cannot sign a contract under threats. The language of threat is not a good one," Zangeneh said after a cabinet session.

"India is one of our good customers and we are willing to boost cooperation. If there is a cut in our exports to India, we will have no troubles as there are many other customers," he said.

His remarks came after Iranian refiners said they were reducing their Iranian imports gradually, and that they would cut more if there were no progress on the Farzad B gas field.

India's oil imports from Iran rose about 92 percent to a record 573,400 barrels per day in the first quarter of this year. However, authorities in New Delhi have a habit of playing hardball with Iran in their dealings whenever Tehran comes under pressure from the West.

Some observers have linked the new assertive stance to tough language being used by the Trump administration against Iran. One of the issues which the Indians have been complaining about is that Iran had reduced a credit period of 90 days for oil purchases to 60 days, arguing that the privilege should stay given New Delhi's trade with Tehran despite being under sanctions.

Iranian MP Asadollah Gharekhani, the rapporteur of Majlis Energy Commission, played down the significance of Indian crude purchases under the sanctions.

He said that under the international

sanctions regime, the Indians had agreed to pay oil dues in dollars, but in the end, they said it was unfeasible.

"They later said the payments will be made half in dollar and half in rupee, but the rupee depreciated by 30% and thus Iran's revenue was cut by 30%," he said on Tuesday.

Ultimately, "instead of cash payments, India sold cheap commodities for Iran's crude," the lawmaker said, stating that the Indians had put their interests first when the Islamic Republic was under pressure and that Tehran had to do the same.

Top presidential advisor Akbar Toran, however, had stronger words.

"Iran's wealth and national interests were plundered by a bunch of marauders from Saudi Arabia, the UAE, Qatar, China and India" during the sanctions, he said in an interview late last year.

Nevertheless, Tehran and New Delhi have long eyed each other as partners that together can link up the Subcontinent and West Asia. India has been eyeing Iran's port of Chabahar for development as part of its ambitious bid to access Central Asia and Afghanistan.

Indian Prime Minister Indian Prime Minister Narendra Modi visited Tehran in May 2016, leading a large delegation to revitalize relations after the lifting of sanctions on Tehran.

However, while investment plans in Chabahar have been dogged by repeated delays, India's "oil for gas" bargain might have wider ramifications for their commercial ties.

that Tehran and Moscow are due to sign a contract for the joint designing and production of helicopters.

"We are working with the Russians on joint designing and production of helicopters; we have not yet started the phase of implementation for the joint designing, but the grounds have been paved and its contract is being finalized and (will be) inked (soon)," Bani Tafari told FNA on Saturday on the sidelines of MAK-2017 air show in Moscow.

Meantime, he said that Iran has finalized and inked a contract with Russia's helicopter union as the two countries are cooperating in area of joint overhaul of aircraft.

## Trade With Iran Up 31%: China Report

TEHRAN (Tasnim) - The total value of bilateral trade between Iran and China in the first half of 2017 has increased by 31 percent compared to the amount for a year earlier, the East Asian country's customs data showed.

The value of trade transactions between Iran and China in the first half of 2017 stood at \$18 billion, showing a 31 percent increase, compared to the same period in 2016, the latest data released by China's customs office

showed.

The total value of bilateral trade between the two Asian countries from January to June in 2016 had amounted to \$13.7 billion, according to the report.

China's exports to the Islamic Republic in the first half of 2017 also increased by 23 percent compared to the same period in 2016, amounting to \$8.8 billion.

The East Asian country's imports

from Iran during the same period grew by 40 percent as well, reaching \$9.2 billion. In 2016, China's imports from Iran stood at \$6.5 billion from January to July, the report added.

Back in January 2016, Iranian President Hassan Rouhani held talks with his Chinese counterpart Xi Jinping in Tehran and said, "We predict that the value of economic exchanges between Tehran and Beijing would rise to \$60 billion within the next 10 years".

## Lagarde: U.S.-Based IMF May Move HQ to China

WASHINGTON (Dispatches) - IMF chief Christine Lagarde says the International Monetary Fund may move its headquarters to Beijing in a decade if China and other big emerging markets continue to grow.

In 10 years' time, "we might not be sitting in Washington, DC. We'll do it in our Beijing head office," Lagarde said at a Center for Global Development event in the U.S. capital.

The IMF's bylaws, she said, call for the institution's head office to be located in the largest member economy.

China is estimated to overtake the U.S. as the world's biggest economy over the next decade if the country, with growth forecasts above 6 percent, keeps up the momentum. The IMF and some of its members have argued that China already contributes more to global growth on a purchasing power parity basis.

The Fund is about to launch another review of its voting structure next year. The Unit-



*The IMF has been based in the United States since it was launched in 1945.*

ed States, with a 16.5 percent share of its board votes, has used an effective veto over IMF decisions since the body was launched in 1945.

According to the professional services giant PWC, China could be the largest economy in the world, accounting for around 20% of world GDP in 2050.

By the time, the seven emerging economies (E7) could have

increased their share of world GDP from around 35% to almost 50%, the report said.

The E7 economies of Brazil, China, India, Indonesia, Mexico, Russia and Turkey are expected to grow at an annual average rate of 3.5% over the next 34 years, compared to an average of just 1.6% for the advanced G7 nations of the U.S., Canada, France, Germany, Italy, the UK and Japan, it added.

## Gold Steady as Global Stocks Rise, Dollar Firms



*Gold bullions are displayed at GoldSilver Central's office in Singapore June 19, 2017.*

LONDON (Reuters) - Gold steadied on Wednesday as the dollar firmed ahead of a Federal Reserve policy decision and as receding worries over global economic growth led investors to buy equities and to sell assets perceived as safe havens.

Company results and economic data have been upbeat of late. Germany's Ifobusiness survey on Tues-

day also showed confidence, soaring to record highs in July, while U.S. consumer confidence levels jumped to near 16-year highs, boosting the dollar.

Traders said short dollar positions were being trimmed on Wednesday ahead of the Federal Reserve's policy decision, not due until later in the U.S. session. (1800 GMT)

"It's mainly sky rocketing risk appetite that's weighing on gold. US stocks closed at record highs, bonds tumbled, yields increased sharply and these are the ingredients for lower gold prices," said Commerzbank analyst Carsten Fritsch.

"Stocks seem immune, at least for the moment, against a rather uncertain economic outlook and the political mess in Washington, and unless this changes gold will struggle to make meaningful gains."

Spot gold was flat at \$1,248.22 per ounce at 1415 GMT. U.S. gold futures for August delivery fell 0.3 percent to \$1,247.90 per ounce.

The Fed is widely expected to hold interest rates unchanged, with expectations of another rate hike before the end of the year at less than 50 percent.

The central bank might, however, hint that it will start winding down its massive holdings of bonds as early as September, a move that should push up bond yields, support the dollar and weigh on gold.

## Civil Helicopters to Be Produced in Joint Venture With Russia

TEHRAN (Dispatches) - The Industrial Development and Renovation Organization (IDRO) of Iran is due to build helicopters certified for civilian use in cooperation with a Russian company.

"IDRO has signed a contract with the Russian Helicopters company to produce civil helicopters," Deputy Head of IDRO Abolfazl Kiyani Bakhtiyari said.

Noting that the Russians will start the project to manufacture helicopters in joint investment with Iran, he said that IDRO and the Russian firm will eventually cooperate in the production of civil helicopters.

Last week, Chairman of the Iran Aviation Industry Organization Amir Karim Bani Tarafi had announced