

# Total Risks Entire Iran Investment If It Pulls Out of Project: Zangeneh



BEIRUT (Reuters) - France's Total will lose all of its investment if it pulls out of a deal with Iran to develop South Pars, the world's largest gas field, the Iranian oil minister Bijan Zangeneh has said.

"If Total, without the enforcement of Security Council sanctions, announces that it has the intention to leave the contract, no capital will be returned to this company and no sum will be transferred to the company," Zangeneh was quoted as saying Iranian domestic media.

Total signed a deal with Tehran in

July to develop phase 11 of Iran's South Pars field with an initial investment of \$1 billion, marking the first major Western energy investment in the Islamic Republic since the lifting of sanctions.

The French oil and gas company said in a statement on Tuesday it was committed to Iran and had the "willingness to move forward" with the South Pars project.

"Total is currently working on the South Pars 11 project and is committed to pursuing it. Tenders have already been launched and contacts should be awarded by

January," a Total spokesman said.

Total's Chief Executive Patrick Pouyanne said last week the oil major would have to review its Iran gas project if the United States decided to impose unilateral sanctions on Tehran over its nuclear program, given Total's assets in the U.S. market.

The U.S. Congress is due to decide within about a month whether to reinstate sanctions on Iran, after U.S. President Donald Trump refused to formally certify that Tehran was complying with its nuclear deal.

Zangeneh said Total had pledged 56 million euros (\$66 million) for the South Pars project and work was progressing as specified in the contract.

Total will be the operator with a 50.1 percent stake, alongside Chinese state-owned oil and gas company CNPC with 30 percent, and National Iranian Oil Co subsidiary Petropars with 19.9 percent.

Separately, the managing director of the Iranian Gas Transmission Company, Saeed Tavakoli, said that Iran exported 5.4 billion cubic meters of gas to Turkey between March and September.

## Official Stresses Need to Set Up Joint Economic Commission With South Korea

TEHRAN (Dispatches) - Iranian parliament vice-speaker Massoud Pezeshkian has stressed the need for setting up a joint economic commission between Tehran and Seoul.

"Iran is ready to broaden relations with South Korea, specially in the parliamentary field," Pezeshkian said in a meeting with the head of South Korea-Iran Parliamentary Friendship Group Chun Jung-bae who is on an official visit to Tehran at the head of a South Korean parliamentary delegation.

The senior Iranian lawmaker, meantime, lauded the growing trend of mutual cooperation between Tehran and Seoul, and said that Iran and South Korea have many capacities, particularly in the fields of trade and economy.

Pezeshkian underlined that boosting parliamentary relations will help facilitate using the capacities, adding that the Iranian parliament is prepared to expand bilateral relations.

The two countries have had good cooperation in the areas of home



*Iranian parliament vice-speaker Massoud Pezeshkian (right) meets with the head of South Korea-Iran Parliamentary Friendship group Chun Jung-bae in Tehran Nov.22, 2017.*

appliances, medicine, auto-making and energy, but there are still various spheres for collaboration.

Referring to South Korea's breakthroughs in the field of public insurance, the senior MP said, "We are interested to share experience in the field of health insurance with South Korea."

Jung-bae, for his part, expressed the

hope that the two countries' officials would discuss areas of cooperation and joint economic commission would convene its next session in near future.

"Diplomatic shuttles and dialogues will help develop a deeper understanding about each other and increase commercial exchanges," he added.

## GEFC Summit Kicks Off in Bolivia Amid Diplomatic Tensions



MOSCOW (Dispatches) - The four-day summit of the Gas Exporting Countries Forum (GECF) has kicked off in Bolivia; it is hoped that participants such as Qatar and Egypt will be able to overcome their

recent differences for the benefit of the industry as a whole, South American analyst Alejandro Sanchez told media. The fourth summit of the Gas Exporting Countries Forum (GECF) started in the Bolivian city of Santa

Cruz de la Sierra on Tuesday.

"The event is extremely important for Latin America, since many countries of the region participate in it. From Mexico to Argentina, these lands were blessed with deposits of oil, gas and other sources of renewable and non-renewable energy. Many economies in the region depend on this sector," analyst Alejandro Sanchez said.

Established in Iran in 2001, the GECF consists of 12 member countries: Algeria, Bolivia, Egypt, Equatorial Guinea, Iran, Libya, Nigeria, Qatar, Russia, Trinidad and Tobago and the UAE. The seven observer countries are Azerbaijan, Iraq, Kazakhstan, Netherlands, Norway, Oman and Peru.

## Iran Pushes to Retain Asia Oil Buyers as Possible U.S. Sanctions Loom

SINGAPORE (Dispatchers) - Iran is pushing to retain customers for its oil in Asia, hoping that price reductions will boost the appeal of its crude compared with other Middle Eastern supply even as the potential threat of further U.S. sanctions on the country looms.

The National Iranian Oil Company (NIOC) has in the last few weeks offered spot cargoes, ranging from light to heavy grades, to its term buyers in Asia, after setting December prices at the lowest in years against comparable Saudi grades, three sources with knowledge of the matter said.

The sources declined to be identified as they were not authorized to speak with media, while NIOC was not immediately available for comment.

That comes as U.S. Congress

has until mid-December to decide whether to reimpose sanctions on Iran that were lifted in exchange for it limiting its nuclear activity, with President Donald Trump disavowing Teheran's compliance with the terms of that deal.

"The threat of U.S. Congress sanctions has put pressure on Iran to 'firm up' markets via discounts and freight adjustments for its crude," said Tilak Doshi, consultant at Muse & Stancil in Singapore.

NIOC first cut the official selling price (OSP) of Iran Heavy crude against Saudi's Arab Medium grade for October, before lowering it again for December. That puts the Iran Heavy price for December at the widest discount against Arab Medium in over a decade, data on Thomson Reuters Eikon showed.

Meanwhile, price cuts for Iranian

Light placed the oil at its lowest premium in two years against Saudi Arabia's Arab Light.

The discounts were made to retain existing buyers of Iranian oil, which already have government-backed arrangements in place from when the original Western sanctions hit Iran's oil exports in 2012-2014, the sources said.

Japanese and Indian buyers responded to the price cuts for October by increasing imports and are expected to keep volumes elevated due to competitive prices, trade sources said.

Iran's offers for December come weeks before the Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC producers meet on Nov 30 to decide whether to extend a deal to cut production and support prices.

## Turkish Lira Extends Losses on Widening Tensions With U.S.

ANKARA (Dispatches) - The Turkish lira hit a record low of 3.9780 against the U.S. dollar, accelerating losses to some 17 per cent since September as concerns widened over Turkey's strained relations with the United States and the independence of its central bank.

The bank, which is trying to balance the task of containing double-digit inflation with President Tayyip Erdogan's demands for lower interest rates, responded with emergency measures to tighten policy, although that failed to reverse the slide.

The lira's plunge has helped fuel inflation by driving up the cost of

energy and other imports. Turkey imports almost all of its energy needs.

Worries about U.S. ties centre around the trial of Turkish gold trader Reza Zarrab, who is accused of violating U.S. sanctions on Iran. The Turkish government spokesman on Monday described the case as a "clear plot against Turkey" that lacks any legal basis.

Foreign investors, needed by Turkey to finance its large budget and current account deficits, also have deep concerns about political pressure on the central bank. Erdogan, who wants lower interest rates to fuel lending and construction, said last week a lack

of government intervention in policy had left Turkey saddled with high inflation.

"Turkey and the U.S. have historically had close ties, but if you look at the events over the past months ... it suggests that relations are deteriorating, and that's certainly a big concern for investors," said William Jackson of Capital Economics in London.

The currency fell as far as 3.9780 to the dollar, eclipsing a previous low of 3.9417 set in January. It was at 3.9575 at 1417 GMT, after the central bank's measures. Against the euro, the currency of some of Turkey's major trading partners, it touched a record low of 4.6711.

## China on Pace for Record Solar Power Installations

BEIJING (Bloomberg) - China, the world's biggest carbon emitter, is poised to install a record amount of solar-power capacity this year, prompting researchers to boost forecasts as much as 80 percent.

About 54 gigawatts will be put in place this year, Bloomberg New Energy Finance has said, raising a forecast of more than 30 gigawatts made in July. That amount of additional capacity would likely surpass all the solar energy generated

in Japan in 2017.

"The amount of rooftop solar plants and projects aimed at easing poverty were more than expected and developers rushed to build some ground-mounted solar projects before they have been allocated subsidies," said Yvonne Liu, a BNEF analyst in Beijing.

The growth of the market has benefited top panel producers, including JinkoSolar Holding Co. and Trina Solar Ltd. China installed 43

gigawatts of solar power in the first nine months of 2017, already above the 34.5 gigawatts for all of last year.

China has been the world's biggest solar market since 2013. It surpassed Germany as the country with the most installed photovoltaic power capacity two years ago.

CCB International Securities Ltd. raised its forecast for China's solar power capacity to 55 gigawatts from 40 gigawatts for 2018, according to a Nov. 17 note.

## Money 'Tsunami' May Spur Quadrupling of Gold Prices to Over \$5,000 – Expert

MOSCOW (Sputnik News) - A prolonged period of cheap money and the shift of investor focus to gold as a haven from geopolitical and financial risk could boost the price of the precious metal to over \$5,000 an ounce in five years, McEwen Mining CEO Rob McEwen says.

If that happens, "there is going to be a tsunami of money looking for a place to go," he told Bloomberg at a mining industry conference in San Francisco.

One of the industry's biggest bulls, McEwen is known for his passion for gold. He was one of the top hundred wealthiest Canadians as of 2016, with an estimated personal net worth of over \$800 million.

According to him, lower-for-longer interest rates have fueled

bubbles in the stock, real estate, and even art markets as investors seek out higher returns. While conventional wisdom is that a return to higher rates would make interest-bearing assets more attractive, gold should become more appealing as markets re-calibrate, said the businessman.

The price of gold is currently hovering around \$1,280 an ounce. Some analysts have been bearish about the precious metal, claiming it has been unable to hold safe-haven gains, as prices are well below key levels seen during events like the Brexit vote and the U.S. presidential election.

Others say geopolitical tensions and uncertainty around the world will keep a bid under gold prices. In a recent report, analysts at Citigroup

said they are bullish on gold as they see safe-haven demand pushing prices above \$1,400 an ounce "for sustained periods through 2020."

"Event-driven bids for gold seem to be occurring more frequently and may be the new normal," the analysts said. "In short, even as the rates and forex channel dominate the outlook for gold pricing, the yellow metal is increasingly being used by investors as a policy and tail risk hedge."

Citi said gold prices are on track to hit \$1,270 per ounce by the end of 2018 and then climb to around \$1,370 in 2019.

Potential economic crisis, elections, military actions are some of the key global events that could prompt gold's safe-haven allure among investors, the bank said.