

Zangeneh:

# National Wealth Rises \$400bn in Oilfields Recovery



TEHRAN (Dispatches) – Iran Petroleum Minister Bijan Zangeneh on Sunday said that \$400 billion will be added to Iran's national wealth by increasing one percent in oilfields recovery coefficient.

He made the remarks in a gathering of knowledge-based companies and startups in oil industry and added, "Accordingly, Iranian oil ministry concluded contracts with universities and academic centers to conduct feasibility studies on oilfields with a focus on increasing oil recovery coefficient."

Zangeneh put the current oilfields recovery coefficient in the country at below 30 percent and added, "With each one percent growth in oilfield recovery coefficient, more than seven billion barrels of oil will be added to the extractable oil which can bring about \$400 billion worth of fund to the national wealth of country."

He pointed to the key role of knowledge-based companies in economic prosperity of the country and added, "Cooperating and interacting with knowledge-based companies can create a significant change in oil industry."

try."

The gathering of knowledge-based companies and startups in oil industry kicked off today and will run until Feb. 18.

Zangeneh also said that his country has quintupled its crude extraction from the so-called West Karoun oilfields, which are shared with Iraq, since 2013, adding that production would reach one million barrels per day (bpd) with the provision of the expertise and funds needed for the development of the fields.

Zangeneh said that production at the so-called West Karoun oilfields would reach one million barrels per day (bpd) if Iran secures the expertise and funds needed for the development of the fields.

"The total oil production in West of Karoun should be increased to 1 mln bpd, however, it needs both technology and financial resources," Zangeneh told reporters.

The minister said current output from West Karoun oilfields showed a five-fold increase compared to 2013 when the current administrative government led by President Hassan Rou-

hani came to office for a first term.

He did not elaborate on production figures at the fields, which he said were being developed using resources from Iran's sovereign wealth fund.

Zangeneh's previous statements on the joint oilfields suggested that current output could be about 300,000 bpd.

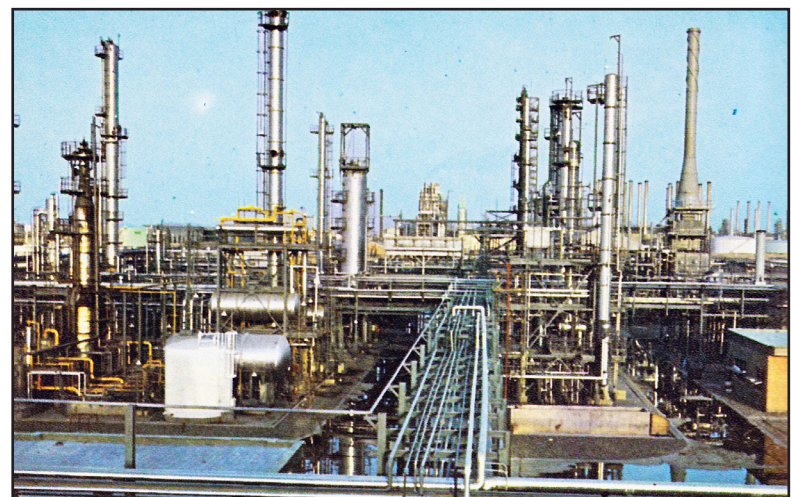
Iran has kept developing its sprawling oil and gas fields despite facing a harsh regime of American sanctions which seeks to cut to zero the country's direct sale of crude and other energy products.

Authorities said in October that oil production at four oilfields shared with Iraq, namely Yadavaran, Azar, Aban and Paydar Qarb, would increase by nearly 60,000 bpd until March 2020 when the current Iranian calendar year comes to an end.

Companies from Iran, Russia and China have been contracted for development of the various parts of the joint oilfields.

Those efforts come as Iraq is seeking to double its output from Majnoon oilfield, which is linked to Azadegan, to nearly half a million bpd in 2021.

## Iran's Petrochemical Outputs to Hit 100mn Tons by 2021: Official



TEHRAN (Dispatches) – The Managing Director of Investment Department of the National Petrochemical Company (NPC) Hossein Alimorad said that Iran's petrochemical output will hit 100 million tons by the end of 2021.

He put the output volume of petrochemical industry in 2013 at about 56 million tons which hit 64 million tons in 2017.

He further noted that Iran's petrochemical output will hit 100 million tons by 2021, showing an eighty percent growth in production capacity of petrochemical companies.

He made the remarks in an interview with Fars News Agency on Sun. and said that the country needs making a huge investment in petrochemical industry.

Iran's petrochemical industry will

witness a significant jump by 2021 and 42 petrochemical projects will be put into operation in this period, he emphasized.

Currently, 15 petrochemical projects have been put into operation while construction operation of 27 other projects will be completed by 2021, Alimorad stated.

Elsewhere in his remarks, he put the total production value in petrochemical industry in 2013 at \$16 billion, the rate of which hit \$17 billion in 2017.

Iran's production value in petrochemical industry will hit \$25 billion by 2021, Alimorad added.

Iran's petrochemical industry needs \$23 billion worth of financing, he said, adding, of total \$23 billion, \$8 billion of which has been provided while the rest \$15 billion will be provided through the capital market.

## NIOC to Sell 6mn Barrels of Crude Oil, Gas Condensate on IRENEX

TEHRAN (Shana) – The National Iranian Oil Company (NIOC) has planned to sell 6 million barrels of heavy and light crude oil and gas condensate at the international floor of the Iran Energy Exchange (IRENEX).

Amir Hossein Tebyanian, a representative of NIOC at IRENEX, said: On Monday (February 17), 2 million barrels of condensate, on Tuesday (February 18) 2 million barrels of light crude oil and on Wednesday (February 19), 2 million barrels of heavy crude oil will be supplied to the international floor of IRENEX."

He said, the price of condensate would be 9 dollars less than Dubai



FOB, light crude would be priced \$7 less than Brent FOB, and heavy

crude would be \$8.5 lower than Brent FOB.

## Minister Reports 14.8% Growth in Manufacturing in Iran

TEHRAN (Press TV) - Iran's Minister of Industries Reza Rahmani says manufacturing activity has grown by nearly 15 percent despite growing American pressure on the country's economy.

Rahmani cited data published by the Central Bank of Iran showing that manufacturing growth had reached 2.3% in January this year from minus 12.5% in March 2018.

Rahmani made the comments in a meeting on Sunday with his deputies in the ministry of Industry, Mine and Trade (MIMT), according to a report by the semi-official ILNA agency.

"Last year the enemies touted the successive closure of the factories (in Iran), but fortunately, the plot failed due to efforts by all industrialists," said the minister.

Iran has been under a series of unprecedented economic sanctions by the United States since November 2018, months after Washington withdrew from a major international agreement on Iran's nuclear program.

The bans have seriously affected the government's spending and investment in various sectors of the economy, including in the manufacturing where Iran relies on many small and large enterprises for much of its daily needs.

Rahmani said, however, that car output in Iran had also grown after a lengthy period of recession to reach 4,000 vehicles a day. That means a double increase to Iran's average daily output compared to the recent months.

The MIMT issued a report last month showing that the total number of cars produced in Iran between late March and late December 2019 had topped 524,200, a decline of 25.6 percent compared to the similar nine-month period in 2018.

The government has adopted measures to protect industries from the impacts of the American sanctions, including by imposing tariffs on exports of raw material as well as providing credit facilities for small and medium-sized enterprises to help them survive the difficult economic situation.

## U.S. Has Thwarted \$6bn Russia-Germany Gas Pipeline: Official



LONDON (Bloomberg) - President Donald Trump's top energy official said he's confident that Russia won't be able to complete the Nord Stream 2 gas pipeline in the Baltic Sea -- and signaled that the U.S. will press forward with its opposition to the project.

Asked about Russian efforts to circumvent U.S. sanctions on the pipeline by completing it on its own, U.S. Energy Secretary Dan Brouillette said "they can't" -- and dismissed claims that project owner Gazprom PJSC will face only a short delay.

"It's going to be a very long delay, because Russia doesn't have the technology," Brouillette said

in an interview at the Munich Security Conference on Saturday. "If they develop it, we'll see what they do. But I don't think it's as easy as saying, well, we're almost there, we're just going to finish it."

The pipeline, which would pump as much as 55 billion cubic meters of natural gas annually from fields in Siberia directly to Germany, has become a focus for geopolitical tensions across the Atlantic. Trump has assailed Germany for giving "billions" to Russia for gas while it benefits from U.S. protection.

Nord Stream 2's owners had invested 5.8 billion euros (\$6.3 billion) in the project by May 2019, according to company documents.

## IEA: Oil Demand to Fall for First Time in a Decade

NEW YORK (Oil Price) - The IEA slashed its demand forecast for the first quarter of 2020, predicting that global oil consumption will contract for the first time in over a decade.

In its first publication on the oil market since the outbreak began, the International Energy Agency (IEA) dramatically revised its oil demand forecast, predicting consumption will actually contract by 435,000 bpd, the first outright decline year-on-year since the global financial crisis more than a decade ago. Previously, the agency expected consumption to increase by 800,000 bpd from a year earlier.

For the full-year in 2020, the IEA cut demand growth by 365,000 bpd to just 825,000 bpd. That would be the lowest annual increase since 2011, and slightly below the growth figures for 2019, which itself was a down year.

The coronavirus continues to ravage China. Beijing released revised data, and the new number of infected cases is vastly higher than previously reported, raising questions about the severity of the crisis.

The number of cases jumped 45 percent after the data revision to nearly 50,000, which increased the global total by a third to 60,000. Those numbers could still be an undercount. Still, the number of new cases on a per-day basis seems to have peaked earlier this month, offering hope that the outbreak is slowing.

Even still, the effects on the oil market are deep. China accounted for about three-quarters of oil demand growth last year, so the crisis has struck a blow to total global consumption.