

Iran's Petrochem Output to Exceed 43mln Tons by Yearend



TEHRAN (FNA) - Iran plans to considerably increase its petrochemical production by the end of the current Iranian year (March 20, 2015) hitting a new record of 43mln tons, an official at the National Iranian Petrochemical Company (NIPC) an-

nounced.

Ali Mohammad Bosaqzadeh said Iran has produced nearly 40 million tons of petrochemicals since last March, adding that the figure is expected to reach 43 million tons this March.

Iran produced 40 million tons of petrochemicals in the last calendar year, with \$9bln worth of its products being exported.

The country plans to increase its petrochemical exports to \$12bln this year.

Saudi Aramco Extends Bidding for Unconventional Gas Work

KHOBAR, Saudi Arabia (Reuters) - State energy firm Saudi Aramco has extended the deadline for companies to bid for work on its unconventional gas facilities in the north of the country, signalling it remains committed to developing shale gas deposits, industry sources said.

The project, known as System A, will involve building processing facilities, wellheads and pipelines for gas in Turaif, where a big mining project called Waad al-Shamal is under development. No estimate for the total value of the contracts was given.

"They extended - the bid closing date now is in March," said a source, adding that Saudi Aramco had sent companies additional requirements that would need their study. Bids were originally due to close in early December and the deadline has been extended several times, most recently to March 15. There was no immediate comment from Saudi Aramco.

Meanwhile, several companies have prequalified for another unconventional gas project involving pipelines, also in northern Saudi Arabia. That project, known as System B, is five times as big as System A, according to one source. The search for natural gas is a priority for Saudi Arabia as it struggles to keep pace with rapidly rising domestic demand for power and its strategically important petrochemicals industry. It has been inspired by the shale gas surge in the United States, which has been transformed from the world's largest gas importer to an exporter.

Saudi Aramco's chief executive Khalid al-Falih told a conference in Riyadh last month that Aramco had invested \$3 billion in developing unconventional gas resources and had earmarked an additional \$7 billion for it.

He did not reveal detailed plans, but said: "Saudi Arabia will be the next frontier after the U.S., where

shale and unconventional will make a significant contribution to our energy mix, especially gas."

So far, a mining project and a power plant for Saudi mining company Ma'aden is projected to take 200 million cubic feet per day of unconventional gas by 2018.

The kingdom has made appraisals of unconventional gas potential in its northwest, Eastern Province and Empty Quarter. It holds the world's fifth-largest proven reserves of natural gas, and expects domestic demand to almost double by 2030 from 2011 levels of 3.5 trillion cubic feet per year.

Saudi Oil Minister Ali al-Naimi has estimated the country's unconventional gas reserves - those held in reservoirs that have not traditionally been exploited - at over 600 trillion cubic feet, more than double its proven conventional reserves.

Iran Says Three Deals Signed With Boeing

TEHRAN (Press V) - Iran says it has concluded three contracts with US aviation giant Boeing after it signed the Geneva nuclear agreement with the P5+1 group of countries in late 2013.

Farhad Parvaresh, the CEO and Chairman of the country's flagship airline Iran Air, said on Saturday that the contracts with Boeing mostly involve repairing plane motors.

"Iran Air has so far received seven motors of its planes after they were repaired as the result of the contracts with Boeing," Parvaresh said.

"There are several other motors that are being repaired by Boeing in a foreign country," he said.

In November 2013, Iran and the five permanent members of the Security Council plus Germany - known as the P5+1 - signed an agreement in Geneva over the Iranian nuclear energy program. The agreement - the nature of which was to keep negotiations alive until disputes over the

Iranian nuclear energy program are removed - envisaged the removal of certain sanctions against Iran in return for a short-term freeze of portions of the country's nuclear energy activities.

Some of the sanctions that were thus removed included providing and installation of spare parts for safety of flights for Iranian civil aviation as well as its associated services.

Parvaresh further said Iran Air has repaired a number of undercarriages for its planes by importing new parts after the signing of the Geneva agreement in 2013. Still, he said, a majority of the repair work for undercarriages of old planes is being carried out by domestic companies.

The official further criticized that international aviation companies refuse to cooperate with Iran Air in supplying its required parts as well as the vital flight services.

"We believe that even in absence of

an agreement, Boeing and Airbus are still obliged to carry out their commitments toward aviation companies like Iran Air for the sake of flight security issues," Parvaresh told IRNA news agency.

"Refusing to provide the required parts as well as fuel to Iranian planes in certain international airports is against international regulations... Nevertheless, Iranian aviation companies like Iran Air and others have been able to maintain their flights and this shows that sanctions have not been effective against Iran's aviation industry."

Iran and P5+1 extended the Geneva agreement in November 2014 and talks were agreed to be continued until July 1 which is a deadline for both sides to reach a final agreement over Iran's nuclear energy program. Negotiations to remove the remaining gaps in talks are currently underway in Geneva.

SAIPA to Expand Exports to Iraq

TEHRAN (FNA) - CEO of Iran's Saipa auto-manufacturing company Saeed Madani voiced satisfaction in the growing trend of export of his company's high-standard products to Iraq, and said the company is to offer three new models of cars to the neighboring country's market.

Speaking to reporters in Baghdad on Saturday, Madani said that Iraq is one of the most strategic markets for his company.

He further underline that his company has ambitious plans to increase the variety of its productions and

increase its share in the Iraqi market.

"Saipa's products are always highly received in Iraq thanks to their competitive prices, cheap spare parts and low fuel consumption," Madani said.

In September, Saipa announced that a new generation of its vehicles has passed technical inspection tests in the Czech Republic successfully.

Saipa Public Relations Department made the announcement on its website, adding the company has made some changes in designing and engineering of engines of the new generation of its cars so that they are

compatible with euro-4 environmental standards.

According to Saipa Public Relations Department, "the new products are equipped with euro-4 environmental standards. These cars have managed to put behind technical inspection tests in Czech Republic and acquire the necessary confirmations."

Getting European quality licenses for Saipa's X 100 products is very important and paves the way for exports of the products to different markets.

U.S. Refinery Strike Widens to 15 Plants

Washington (Dispatches) -The strike by the United Steelworkers Union (USW) against U.S. refiners widened at midnight Sunday morning to include three Motiva refineries and a Royal Dutch Shell plc chemical plant. The Motiva refinery in Port Arthur, Texas, is the largest in the U.S. with a capacity of 600,000 barrels per day.

The two other Motiva refineries and the Shell chemical plant are located in Louisiana. Motiva is a joint venture between Shell and a division of Saudi Aramco, the national oil company of Saudi Arabia. The Convent and Norco refineries have capacities of 235,000 and 238,000 barrels a day, respectively, and employ a total of about 1,350 USW members.

The strike, which began at midnight on February 1st, previously affected 11 refineries and other facilities

and affected about 5,200 workers. All told, the USW represents about 30,000 workers at more than 230 refineries, oil terminals, pipelines, and petrochemical facilities. A total of 65 of the union facilities are refineries that produce about two-thirds of the country's refined products.

This is how a USW official characterized the strike when it began:

This work stoppage is about onerous overtime; unsafe staffing levels; dangerous conditions the industry continues to ignore; the daily occurrences of fires, emissions, leaks and explosions that threaten local communities without the industry doing much about it; the industry's refusal to make opportunities for workers in the trade crafts; the flagrant contracting out that impacts health and safety on the job; and the erosion of our workplace, where qualified and experienced union workers are

replaced by contractors when they leave or retire.

In a statement released Saturday Shell wrote:

The central issue standing in the way of a settlement is not safety or fatigue, nor is it even about healthcare or wages, as the union claims. Those things are important to all of us, and it's important to share that we have engaged in productive negotiations regarding each of these issues. ... The central issue of the USW's national leaders is their continued demand that Shell replace routine maintenance contractors with USW-represented employees.

Shell is the lead company in the National Oil Bargaining process and the outcome of the dispute with the USW will be used as a guide for union contracts with the rest of the industry.

Greece Set to Send Draft Reforms to EU Institutions

ATHENS (Financial Times) - Greek finance minister Yanis Varoufakis was due to send draft proposals to International Monetary Fund and EU institutions on Sunday outlining a set of reforms that would meet conditions laid out in Friday's eleventh-hour deal to extend the country's €172bn rescue program for four months.

The reforms would be "mainly of a structural nature" and would not include details of projected revenue increases or spending cuts, a government official said.

Athens would spell out measures to crack down on tax evasion and fuel and cigarette smuggling that could raise about €2bn-€2.5bn this year, according

to the same official.

But it was unclear whether some key economic policies already unveiled by the Syriza government, such as haircuts of up to 50 per cent on taxpayers' debts to the state, would be included in Mr Varoufakis's letter.

Even though Greece's deal with its eurozone partners marked a U-turn by Alexis Tsipras, the prime minister, who pledged during last month's election campaign to kill the current bailout, the government's approval rating rose to 80 per cent from 70 per cent a week ago. According to an opinion poll published on Sunday.

Mr Tsipras on Saturday told Greeks that austerity imposed by the EU and

IMF was over but warned that although Athens won a battle in Brussels on Friday, it had not won the war.

He said Friday's agreement cancelled the austerity commitments made by a previous conservative-led government but warned of difficult times ahead.

"We proved that Europe stands for mutually beneficial compromises - not for doling out punishments," he said on Saturday. But Friday's deal was not the end of the negotiations.

"We will be entering a new, more substantive stage in our negotiations until we reach a final agreement to transition from the catastrophic policies of the Memoranda, to policies that will focus on development, employment and so-

cial cohesion," he said.

The deal, reached at a make-or-break meeting of eurozone finance ministers on Friday night, left several important issues undecided - particularly what reform measures Athens must adopt in order to get €7.2bn in aid that comes with completing the current programme.

Officials said if the Greek proposals were not adequate another eurogroup meeting could be called on Tuesday.

Critically, Friday's agreement committed Athens to the "successful completion" of the current bailout review, something the new Greek government has long vowed to avoid. "As long as the program isn't successfully complet-

ed, there will be no payout," said Wolfgang Schäuble, the German finance minister.

Still, the agreement avoids what eurozone officials feared would be market turmoil if the bailout had expired at the end of next week and should stem the mounting deposit withdrawals from Greece's banking sector, which officials said were reaching close to €800m a day, creating a situation at risk of becoming a full-scale bank run.

"[The negotiation] was intense because it was about building trust between us," said Jeroen Dijsselbloem, the Dutch finance minister and eurogroup chairman who brokered the deal after failing twice before over the

course of the past week. "Tonight was a first step in this process of rebuilding trust. As you know, trust leaves quicker than it comes."

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As the news emerged late on Friday, Wall Street climbed to record highs and the euro rallied. The S&P 500 index rose 0.6 per cent to a record 2,110, while the Dow Jones hit an all-time peak of 18,144.

The decision to request an extension of the current programme is a significant U-turn for Mr Tsipras, who had promised in his election campaign to kill the existing bailout.