

Iran Prepared to Ramp Up Oil Output Quickly - Report



Iranian flag flies in front of the UN office building, housing IAEA headquarters, amid the coronavirus disease (COVID-19) pandemic, in Vienna, Austria, May 24, 2021.

TEHRAN (Dispatches) - Iran is planning a speedy increase in its oil output, a senior oil ministry official said on Wednesday, as talks continue between Tehran and six major powers to lift U.S. sanctions that have seen it pumping far below capacity since 2018.

Iran and the six powers have been in talks since April to revive a 2015 nuclear deal that former U.S. president Donald Trump exited three years ago.

"If sanctions are lifted, most of the country's crude production will be restored within a month," Farokh Alikhani, production manager of the National Iranian Oil Company (NIOC), told the oil ministry's SHANA website.

"Careful planning has been done to restore oil output to pre-sanctions levels in intervals of one week, one month and three months."

In 2016, Tehran's oil exports increased to 2 million barrels per day (bpd) and reached a peak of 2.8 million bpd.

Alikhani said Iran hoped to further raise its output "to more than 4 million bpd in the next step".

"The average daily oil production of Iran

after the implementation of the 2015 deal was 3.38 million bpd and we plan to return to that level if the sanctions are lifted," said Alikhani.

Exporters, Buyers Brace for Normal Flows of Iranian LPG, Condensate

Iranian exporters aim to increase LPG exports to full capacity, if the Biden administration lifts sanctions that limited shipments from the country's petrochemical plants and gas refineries, adding to healthy Middle East supply, which could drive up freight, industry sources familiar with the sector said.

Assuming the U.S. completely removes sanctions in second-half 2021, Iran can export 3.73 million mt during the period and at least 33 vessels will be needed for transportation, six more than currently, they said.

Removal of sanctions should the U.S. resume the Joint Comprehensive Plan of Action, or JCPOA, could also allow Iran to export condensates, an ultra-light crude that yields better product margins, and put pressure on Asia's naphtha market.

South Pars condensate is expected to be competitively priced, allowing petrochemical makers to obtain cheaper feedstock naphtha from cracking this condensate.

"The market is worried the lifting of Iran sanctions would weigh on the naphtha market because condensate will be cheaper, so the Korean splitters will buy more condensate again instead of heavy full range naphtha," a petrochemical producer said.

Iran had previously exported condensates to South Korean end-users, where splitters switch between using condensate and various naphtha grades, depending on economics. If Iranian supply were to return to the market, it would impact other types of naphtha, sources said.

"Last time, Iran used to export a lot of condensates for splitters like Hyundai, Hanwha, and others in Korea, and if this were to resume, then demand for heavy paraffinic naphtha will definitely go down," the source added.

Restored Iranian LPG exports would add to abundant Middle East supply this year, with major producers regularly accepting lifters' monthly term nominations without cuts or delays, while Kuwait and Qatar consistently sell spot cargoes. Whenever the U.S. arbitrage window opens, ample supply in Asia would render LPG cheaper than naphtha, making propane and butane a favored cracker feedstock.

LPG from petrochemical plants are produced by Bandar Imam Petrochemical Co. in Khuzestan province, which produces 1 million mt/year of LPG, Petrochemical Commercial Co. in Assaluyeh, which produces 1.5 million mt/year and Kharg Petrochemical CO, which produces 200,000 mt/year. Gas refineries export a total of about 3 million mt/year and are mainly located in South Pars and Assaluyeh.

NPC Inks MoU With German QMS

TEHRAN (Shana) - The National Petrochemical Company (NPC) has signed a memorandum of understanding (MoU) with the German Institute for Quality Management Services (QMS) as a representative of the European Foundation for Quality Management (EFQM).

The memorandum was signed on Wednesday, June 9, at a specialized meeting on organizational excellence in the petrochemical industry between Hassan Abbaszadeh, Director of Planning and Development of the National Petrochemical Company, and Markus Gardov, CEO of the German Institute for Quality Management Services (QMS).

The purpose of signing this training memorandum in the field



of organizational excellence is to provide training, evaluations and use of database information of the EFQM in the Iranian petrochemical industry.

Organizational Excellence Meeting in Petrochemical Industry was held on Wednesday, in the pres-

ence of the CEOs of Iranian petrochemical holdings and companies as well as several guests from the Board of Directors of the EFQM to present and explain the 2020 edition of the EFQM Organizational Excellence Model by some of its designers.

Official: Iraq Imports \$124mn of Goods Via Mehran Customs



ILAM - Director General of Customs Administration of the western province of Ilam Ruhollah Gholami

announced on Wednesday that value of goods exported from Mehran border point to Iraq was over 124 mil-

lion dollars in the two month of the current year (starting March 21).

The weight of the commodities has been over 280,000 tons, Gholami said to IRNA.

He said that building material, fruits, plastic products, glass products, home appliances, and metal products were among the most important items exported to Iraq through Mehran border customs.

Meanwhile, health protocols as preemptive measure are being followed on the border, he stated.

Mehran in Ilam with 230 km distance from Baghdad is Iran's closest border city to Iraqi capital. Mehran is 85 km of southwest of Ilam.

IMIDRO: Aluminum Ingot Production Grows 33%



TEHRAN - Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO) announced on Wednesday that aluminum ingot production

has upped by 33% during the first two months of the current Iranian calendar year (March 21- May 22). "Four Iranian aluminum ingot producers have produced 86,216

tons of ingot while the number was 64,689 tons in the same period last year," IMIDRO added.

The report noted that Iranian Aluminum Company, Almahdi Aluminum Company, Salco and Alumina factories produced 30,278 tons, 30,129 tons, 19,664 tons and 6,145 tons of aluminum respectively.

Iran is among 15 top global aluminum producers.

Back in December 2020, Iran's Customs Administration (IRICA) announced that the country had exported over 60,000 tons of aluminum worth \$101.1 million during the first seven months of the year (March 20-October 21, 2020).

Iraq Aims to Go Nuclear to Resolve Crippling Power Shortages

LONDON (Bloomberg) - Iraq is working on a plan to build nuclear reactors as the electricity-starved petrostate seeks to end the widespread blackouts that have sparked social unrest.

OPEC's No. 2 oil producer -- already suffering from power shortages and insufficient investment in aging plants -- needs to meet an expected 50% jump in demand by the end of the decade. Building atomic plants could help to close the supply gap, though the country will face significant financial and geopolitical challenges in bringing its plan to fruition.

Iraq seeks to build eight reactors capable of producing about 11 gigawatts, said Kamal Hussain Latif, chairman of the Iraqi Radioactive Sources Regulatory Authority. It would seek funding from prospective partners for the \$40 billion plan



and pay back the costs over 20 years, he said, adding that the authority had discussed cooperation with Russian and South Korean officials.

Plunging crude prices last year deprived Iraq of funds to maintain and expand its long-neglected electricity system. The resulting outages triggered protests that threatened to topple the government.

"We have several forecasts that show that without nuclear power by 2030, we will be in big trouble," Latif said in an interview at his office in Baghdad. Not only is there the power shortage and surge in demand to deal with, but Iraq is also trying to cut emissions and produce more water via desalination -- "issues that raise the alarm for me."

Deutsche Bank Warns of Global 'Time Bomb' Coming Due to Rising Inflation

BERLIN (CNBC) - Inflation may look like a problem that will go away, but is more likely to persist and lead to a crisis in the years ahead, according to a warning from Deutsche Bank economists.

In a forecast that is well outside the consensus from policymakers and Wall Street, Deutsche issued a dire warning that focusing on stimulus while dismissing inflation fears will prove to be a mistake if not in the near term then in 2023 and beyond.

The analysis especially points the finger at the Federal Reserve and its new framework in which it will tolerate higher inflation for the sake of a full and inclusive recovery. The firm contends that the Fed's intention



not to tighten policy until inflation shows a sustained rise will have dire impacts.

"The consequence of delay will be greater disruption of economic and financial activity than would be otherwise be the case when the Fed does finally

act," Deutsche's chief economist, David Folkerts-Landau, and others wrote. "In turn, this could create a significant recession and set off a chain of financial distress around the world, particularly in emerging markets."

El Salvador's Parliament Approves Bitcoin as Legal Tender

BUENOS AIRES (Sputnik) - El Salvador's parliament has approved bitcoin as legal tender, President Nayib Bukele said.

The Salvadoran leader submitted the bill, which seeks to grant bitcoin the status of a legal tender, to the parliament on Tuesday.

"The #BitcoinLaw has been approved by a supermajority in the Salvadoran Congress. 62 out of 84 votes! History!" he tweeted after a vote late on Tuesday.

According to the bill, the legislation will regulate bitcoin and will grant it "liberating power, unlimited in any transaction, and to any title that public or private natural or legal persons require carrying out".

El Salvador uses the U.S. dollar as currency.

The bill also aims to facilitate financial inclusion to all citizens of El Salvador and promote economic growth.