Iran's Oil Supply Chain to Become Smart With $392mn Investment

TEHRAN – **The CEO of the National Iranian Oil Engineering and Construction Company Muhammad Meshkinfam on Sunday announced that the country's oil products supply chain will be modernized through a $392 million investment.**

Speaking during the signing ceremony of a memorandum of understanding (MoU) for the "Real-Time Monitoring and Smart Management of the National Oil Products Supply Chain" project, Meshkinfam highlighted the progress made.

The event was attended by key figures, including Muhammad-Sadeq Azimifar, CEO of the National Iranian Oil Refining and Distribution Company; Hossein Rahimi, head of the Economic Security Police; Keramat Veysi-Karimi, CEO of the National Iranian Oil Products Distribution Company; and Ali Ahmadipour, CEO of the Iranian Oil Pipelines and Telecommunications Company.

Meshkinfam stated that the project aligns with legal mandates outlined in the Seventh Development Plan. Over the past three months, teams have worked around the clock to identify existing systems and connect necessary equipment. The project will now be fully equipped with an online monitoring system.

He noted that over the past month, three companies—Irancell, MAPNA, and the Oil Design and Construction Company—were identified as key partners. After numerous meetings and detailed discussions, the MoU was successfully signed. The main contract is expected to be finalized by the end of the current Iranian year (March 20).

Meshkinfam emphasized that the $392 million project will cover the entire oil production and distribution supply chain. Key initiatives include installing metering systems at pipeline entry and exit points, completing a 4,209-kilometer fiber-optic network for the Oil Pipelines and Telecommunications Company, equipping pipelines with leak detection systems, installing metering systems at major delivery points such as power plants, and outfitting road transport fleets with tracking systems.

The project aims to enhance efficiency and oversight across Iran's oil supply chain through advanced technology and infrastructure upgrades.

South Pars to Sign Deal for Pressure Boost Project

SHANA (Tehran) – **Reza Dehqan, the engineering and development manager of the National Iranian Oil Company (NIOC) on Sunday announced that seven executive contracts for the South Pars pressure boost project, valued at $17 billion, are ready to be signed soon.**

This follows the completion of preliminary studies and the signing of initial agreements with four main contractors last year, worth up to $400 million, he added.

Dehqan, speaking at a press conference, emphasized that the South Pars gas field, the world's largest, supplies 70% of Iran's domestic, industrial, and power plant gas consumption, as well as over 40% of the country's gasoline needs.

However, after three decades of extraction by Iran and Qatar, the field has experienced natural pressure decline. Studies predict that by 2026, production will decrease by the equivalent of one South Pars phase (28 million cubic meters per day), and by 2028, it will drop by 1.5 phases (42 million cubic meters per day).

Dehqan warned that without timely intervention, this pressure drop could have serious implications for Iran's energy security and economy. The pressure boost project is therefore a strategic priority for the Oil Ministry to maintain production levels.

Dehqan stressed the urgency of implementing the pressure boost project, particularly in border blocks shared with Qatar. He noted that the project would help offset pressure decline, prevent production drops, and address gas and gasoline imbalances in the country.

The primary goals of the project include managing Iran's gas balance by securing a significant portion of the required gas and gasoline, maintaining pressure and production in the South Pars field, and preventing gas migration.

To achieve these objectives, NIOC transferred and upgraded the project's management to its headquarters last year, initiating technical and engineering studies.

Dehqan highlighted that, through the efforts of NIOC and Pars Oil and Gas Company managers, experts, and main contractors, a comprehensive execution plan for the entire South Pars field has been developed.

The field has been divided into seven separate hubs, with all main executive contractors selected. Financing for the project, estimated at $17 billion, will be sourced from the National Development Fund, with negotiations for a $15 billion agreement underway.

The project is expected to generate approximately $780 billion in revenue by 2051, based on gas prices of 33 cents and gas condensates at $70 per barrel. The first hub is projected to become operational by 2028, with the first gas injected into the network by the end of that year.

The main contractors for the project include Iranian companies Petropars, OIEC, MAPNA, and Khatam al-Anbiya Construction Headquarters, all of which have successful track records in developing the South Pars field.

Over 70% of the project's requirements will be met using domestic capabilities, including turbo-compressors supplied by MAPNA's TOGA and Oil Turbo Compressor Company (OTC).

Dehqan emphasized that the project will create significant employment opportunities, with up to 17,000 direct and 500,000 indirect jobs at peak execution.

The project will also enhance Iran's technological expertise in gas field development, particularly in designing and constructing pressure boost platforms and related infrastructure.

Minister: Cargo Transit Via Iran Jumps 27%

TEHRAN – Iran's Ministry of Roads and Urban Development (MRUD) says cargo transit via the country increased 27% year on year in the 10 months of the current Iranian calendar year (March 21, 2024 to January 19, 2025).

Javad Hedayati, who is the Transit Operations at MRUD's Road Maintenance Department, has said that cargo transit to other countries via the Iranian roads network had reached 15 million metric tons (mt) in April-January.

Hedayati said the figure was a milestone considering an annual transit target of 16 million mt that has been set for both roads and railways in Iran,

He said annual cargo transit via Iranian roads would reach 17.5 million mt until March, adding that the MRUD estimates suggest the figure could hit 22 million in the next calendar year and 40 million mt at the end of a 5-year economic vision plan in 2028.

Hedayati said the significant increase in cargo transit via Iran is a product of the country's new diplomatic push to boost relations with neighboring and regional countries and to join major economic blocs like BRICS and the Shanghai Cooperation Organization (SCO).

There has been a major surge in cargo transit via Iran from Turkey and India to Central Asia in recent years.

That comes as Iran has entered into major transportation agreements with Central Asian countries to increase its revenues from transit fees.

Starting on January 10 and after some 20 years, Iran and Uzbekistan removed a 400% tax imposed on trucks traveling through their respective territories.

Back in 2022, Turkmenistan agreed to stop taxing shipments arriving from Iran while Iran is also in talks with Kazakhstan to facilitate the movement of cargo between the two countries.

Iran is also negotiating transportation arrangements with China to further increase the traffic of cargo and passengers from the East Asian country to Iran, Turkey, and Europe.

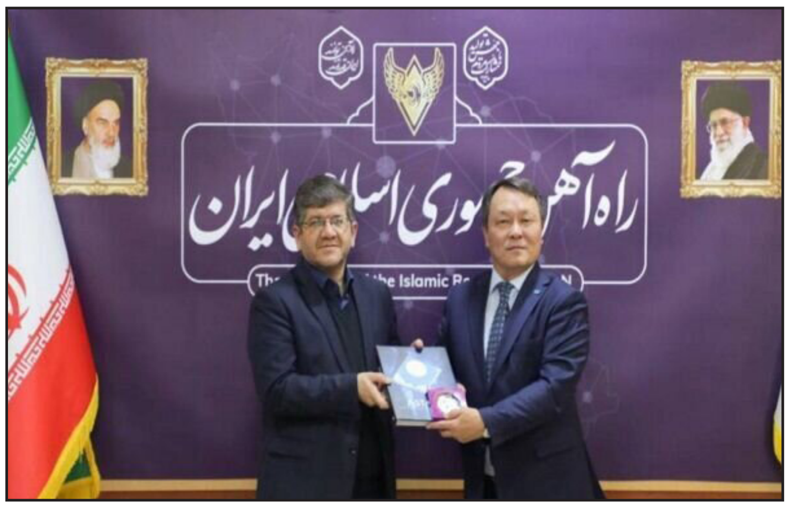
Kazakh Envoy Hails Potentials of Iran Rail Corridor

TEHRAN – **Kazakhstan's ambassador to Tehran Ontalap Onalbayev has said that Iran's rail corridor is the safest and shortest route for cargo transfer to the high seas.**

He made the comment in a meeting with the CEO of the Islamic Republic of Iran Railways Jabbar Ali Zakeri, according to a press release by the Iranian railways company on Sunday.

The Kazakh envoy called for holding meetings between officials of the two countries in order to achieve desired goals set by the two sides.

Zakeri said that Iran has the capacity to transfer five million tons of cargo a year through its rail corridor, adding that the two sides will make efforts to achieve that goal within the next five years.



Kazakhstan's ambassador to Tehran Ontalap Onalbayev, right, and CEO of the Islamic Republic of Iran Railways Jabbar Ali Zakeri pose for a photo.

He also said that Iran is ready to increase freight transportation through its ports.

Tariffs Seen Disrupting Oil Market, Raising U.S. Pump Prices

LONODN (Bloomberg) – **U.S. President Donald Trump's tariffs on imports from Canada and Mexico threaten to disrupt North America's tightly integrated oil market and push up gasoline prices for American motorists.**

Trump on Saturday signed orders implementing a levy of 10% on imports of Canadian energy, along with general levies of 25% on Canada and Mexico and 10% on China, according to White House officials who briefed reporters on condition of anonymity. The tariffs take effect at 12:01 a.m. on Tuesday.

Tariffs on Canada and Mexico may curtail shipments from the top two suppliers of foreign crude to the U.S. Almost all of Canada's roughly 4 million barrels of daily crude exports flow to its southern neighbor, and about 500,000 barrels comes into the U.S. from Mexico, the bulk of it purchased by Valero Energy Corp. for its plants on the Gulf Coast.

In the U.S. Midwest, which is home to 23% of U.S. refining capacity, refiners are so reliant on Canadian supplies that pipelines that once carried oil from the Gulf Coast to the Midwest have been reversed, leaving fuelmakers little access to alternative grades of oil.

"Canadian oil tariffs would risk unpopular, if temporary, gasoline price increases in the U.S. Midwest," Goldman Sachs Group Inc. analysts including Samantha Dart and Daan Struyven said in a recent note.

Energy imports from Canada were hit with the lower 10% rate to minimize upward pressure on gasoline and home-heating oil prices, the White House officials said.

Canada is responding to the U.S. levies with 25% counter-tariffs on C$155 billion ($107 billion) worth of American-made products. Prime Minister Justin Trudeau, speaking at a news conference, didn't specifically rule out measures such as taxing or restricting energy exports to the U.S., but said no one industry or region should bear an undue burden of Canada's response.

Last week, fuelmakers warned that the levies would erode refining profits and upend oil markets. U.S. plants could cut refining rates in response, executives at Valero executives said Thursday, while Phillips 66 cautioned that Canadian crude prices will tumble.

"We are hopeful a resolution can be quickly reached with our North American neighbors so that crude oil, refined products and petrochemicals are removed from the tariff schedule before consumers feel the impact," Chet Thompson, president of the American Fuel & Petrochemical Manufacturers trade group, said in an emailed statement.