Paknejad: Iran Ready to Install Rig in Arash Field, Pending Border Talks

TEHRAN - **Iran's Petroleum Minister Mohsen Paknejad denied claims of declining oil exports, stating that the Oil Ministry is prepared to install a drilling rig in the Arash oil field.**

However, he noted the plan depends on the outcome of border negotiations and formal approval from the Foreign Ministry.

Paknejad spoke to reporters on Wednesday on the sidelines of a Cabinet meeting. When asked about potential changes to gasoline rationing, he said: "As of now, gasoline quotas remain unchanged, and there are no issues with fuel reserves."

Regarding the Arash field, Paknejad said the Oil Ministry considers the site suitable for drilling. However, he stressed that the Foreign Ministry must first resolve border demarcation issues through diplomatic negotiations.

"Once the negotiations conclude and the Foreign Ministry issues an official directive, the Oil Ministry is ready to begin development operations in the Iranian section of the Arash field," he added.

When asked whether U.S. sanctions would affect Iran's oil sales, Paknejad acknowledged that sanctions aim to restrict oil sales but said Iran has adopted strategies to mitigate their impact.

"These sanctions have not significantly disrupted Iran's crude oil exports in recent years," he said.

On whether Iran still relies on oil as a primary revenue source or is shifting toward diversification, Paknejad said oil remains a national asset. However, he emphasized the need to balance resource preservation with economic benefits.

"Some believe preserving reserves means leaving oil underground for future generations, but international estimates suggest the world may gradually reduce reliance on fossil fuels," he said. "If we can extract oil under favorable economic conditions and convert it into productive wealth, we are effectively investing in the country's future."

When asked about differences in U.S. policy under the Trump administration, Paknejad said: "There have always been threats to restrict Iran's oil sales, but we believe we can overcome these limitations. Past experience shows such pressures have not decisively impacted our exports."

On plans to build petro-refineries, he said the Oil Ministry is leveraging all legal capacities to establish refineries and mini-refineries.

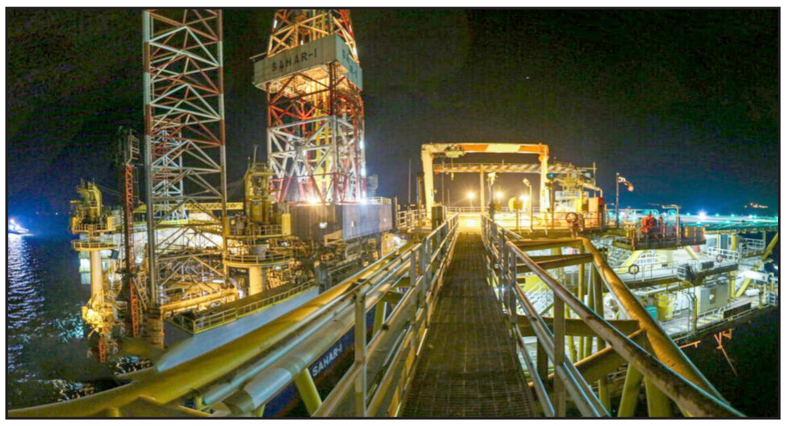
"Converting crude oil into higher-value products will improve export conditions, and the Oil Ministry will spare no effort in this regard," he said.

Responding to reports of U.S. sanctions on Iranian methanol, Paknejad said he had not received any confirmation.

Regarding fuel exports to Afghanistan, he clarified: "We have not directly exported oil to Afghanistan, but diesel transit has occurred. This process continues without issue."

Oil Ministry Aims to Attract Investment, Streamline Upstream Oil, Gas Contracts

TEHRAN – **The deputy director of investment at the National Iranian Oil Company (NIOC) Amir Salehi has emphasized that a recent approval by the Economic Council to simplify upstream oil and gas contract procedures will significantly reduce the time between receiving investor proposals and finalizing agreements.**



Salehi said the measures reflect the Oil Ministry's commitment to attracting investment and streamlining economic processes. He noted that contract negotiations, which previously took up to three years, have been expedited through coordination between the Oil Ministry and the Plan and Budget Organization.

Investor complaints about prolonged contract negotiations prompted the two entities to revise procedures, setting specific timelines for each stage to minimize delays.

Salehi explained that the lack of a unified information template between the Oil Ministry and the Planning and Budget Organization had prolonged negotiations and approvals. Under the Economic Council's directive, a standardized documentation framework has been finalized to shorten the contracting process.

With these reforms, the timeline from proposal submission to contract signing has been significantly reduced. Recent meetings between the Oil Ministry and the Plan and Budget Organization focused on accelerating the review of oil and gas development plans. A checklist of required documents is being finalized to clarify responsibilities and expedite evaluations.

Salehi announced that, with these changes, the review period for development proposals will be shortened to six months—four months for NIOC's internal processes and two months for Planning and Budget Organization approval. However, he stressed that adherence to timelines requires cooperation from all stakeholders.

He also addressed past delays in gas field development contracts, noting that some projects required Cabinet approval for gas allocation to energy-intensive industries, such as petrochemical plants.

The Economic Council has approved an incentive package to boost upstream oil and gas investment. Key measures include:

- Streamlining contractual processes
- Enhancing investment incentives
- Leveraging financing mechanisms
- Adopting modern economic tools

Under the new framework, the entire contracting process—from proposal submission to signing—must be completed within six months, including a maximum of four months for NIOC negotiations and two months for Plan and Budget Organization review.

Ministry Agrees With Oman, Pakistan to Export Goods Using PTA

TEHRAN – **The Iranian minister of industry, mine and trade says that his ministry has agreed with Oman and Pakistan for exporting goods using the preferential tariff arrangements.**

Muhammad Atabak made the remarks on Wednesday, emphasizing that Iran has agreed with the Sultanate of Oman and Pakistan for exporting goods using the Preferential Trade Agreement (PTA).

The government's ultimate goal is to facilitate exports and imports freely and without direct intervention of the government provided that the Central Bank of Iran (CBI) has full oversight of this process to ensure the integrity and accuracy of the transactions, he underlined.

Iran's industry minister emphasized the importance of monitoring and controlling the currency and preventing its flight from the country illegally.

Iran has signed agreements with Oman and Pakistan for exporting goods under the preferential tariff arrangements, Atabak stressed.

Emphasizing the importance of facilitating and accelerating processes, the Iranian minister of industry pointed out that the Central Bank of Iran should facilitate the provision of foreign exchange for exports and importers, so that simplification for the provision of foreign exchange should be taken into consideration by the Central Bank of Iran.

Daily Gas Extraction From South Pars Phase 11 Increases by 60%

TEHRAN – **Daily gas extraction from South Pars Phase 11 has risen by 60% during the first 10 months of the 14th administration, increasing from 12 million cubic meters (mcm) to 20 mcm per day.**

According to Pars Oil and Gas Company, the 21st meeting of the joint management committee for the development of South Pars Phase 11 was held Monday with the attendance of Touraj Dehqani, CEO of Pars Oil and Gas Company; Hamidreza Saqafi, CEO of Petropars; and members of the joint management committee. The meeting reviewed the latest extraction and development status of Phase 11 in its first and second stages, as well as key topics such as:

- Drilling progress for the ninth well at SPD11B platform
- Scheduling for the loading and installation of the SPD11A wellhead jacket
- Procurement of drilling rigs and equipment
- Construction of the second deck for SPD11A
- Outlook for the project's final phase completion

Dehqani emphasized the need for regular meetings between Petropars (the main contractor) and subcontractors, including offshore facility manufacturers. He stated, "Accurate identification of operational bottlenecks and their timely resolution through financial solutions is key to strengthening subcontractors."

Saqafi reported that overall progress in Phase 11's first development stage is now at 41%. Regarding the SPD11A wellhead jacket, he noted that construction—which was less than 35% complete at the start of the 14th administration—has now concluded. Pending logistics and support arrangements, it will be loaded and installed in the Persian Gulf within the next month.

Reports from the meeting confirmed that development and production at Phase 11 continue simultaneously. Gas extraction has increased from 12 million cubic meters per day in August 2024 (early in the 14th administration) to 20 million cubic meters per day—a 60% rise.

Cumulative gas extraction from Phase 11, which stood at 3.4 billion cubic meters (120 billion cubic feet of raw gas) before the 14th administration, has now reached 8.5 billion cubic meters (300 billion cubic feet)—a 60% growth—due to accelerated well operations and increased daily production. This surge plays a vital role in managing the country's energy balance.

South Pars Phase 11, the last of the 24-phase South Pars development, is being executed under the new petroleum contract model (IPC) by Petropars.

World Bank Predicts Worst Decade for Global Growth Since 60s

WASHINGTON (AFP) - **The global economy will see the slowest decade for global growth since the 1960s as the effect of Donald Trump's tariffs are felt, the World Bank has predicted.**

Nearly two thirds of countries in the world had their growth forecasts cut from the bank's last set of predictions six months ago.

The bank predicts global growth of only 2.3% in 2025, which is 0.4% lower than was forecast in January, and for 2027, it predicts growth of 2.6%

Japan, Europe and the U.S. were among those downgraded in the bank's twice yearly report.

The bank's last set of forecasts in January were made before Donald Trump took office.

Since then, his introduction of a universal 10% tariff on all imports into the US, as well as higher tariffs on steel and aluminium, caused financial markets to plunge in early April.

A trade ruling found the bulk of his global tariffs to be illegal in May, although the Trump administration won an appeal to keep them in place for now.

The World Bank downgraded its growth forecast for the U.S. in both 2025 and 2026, because of escalating trade tensions rattling investor confidence as well as private consumption.

However, it did not downgrade the U.S.'s main rival, China, which the bank said had enough financial stability to weather the "significant headwinds" from global political uncertainty.

"Against the backdrop of heightened policy uncertainty and increased trade barriers, the global economic context has become more challenging," the report said, adding that more "sentiment-sapping policy uncertainty" would come because of the potential for "further rapid shifts" in trade-restrictive moves by countries.

The bank said there would be further cuts in growth if the U.S. increased tariffs, and warned of rising inflation.

Tariffs could lead to "global trade seizing up in the second half of this year, accompanied by a widespread collapse in confidence, surging uncertainty and turmoil in financial markets," the report said.

However, it stopped short of predicting a global recession, saying the chances of that were less than 10%.

The report comes after the OECD also downgraded its outlook for the world economy. It said global growth is now expected to slow to a "modest" 2.9%, down from a previous forecast of 3.1%.

In the mean time, a new round of talks aimed at resolving the trade war between the U.S. and China has taken place in central London.

U.S. Sees Oil Output Falling in 2026 in Blow to Trump's Agenda

LONDON (Bloomberg) – **U.S. oil production will fall next year for the first time since the Covid-19 pandemic, according to a government forecast that will cast new doubt on Donald Trump's "energy dominance" agenda.**

The Energy Information Administration, a division of the energy department, on Tuesday said U.S. oil production would drop from a record high of 13.5mn barrels a day now to about 13.3mn barrels by the end of next year, as slumping oil prices rattle the sector.

"With fewer active drilling rigs, we forecast U.S. operators will drill and complete fewer wells through 2026," the EIA said in a monthly report published on Tuesday. Active rigs had "decreased by much more" than expected in a previous report, it said.

The gloomy official forecast comes just months after Trump was re-elected following a presidential campaign in which he vowed to "unleash" American drilling, promote more oil production, and drive down energy prices.

Soaring shale production in the past two decades made the U.S. the world's biggest oil and gas producer, upending global commodity markets while feeding domestic industry with a steady stream of cheap energy.