

Iran and Finland have potentials for cooperation in mining and energy sectors, as two important areas of economy, said Deputy Finnish Minister of Labor and Economy Petri Peltonen.

SPECIAL NEWS

Domestic Economy Desk

Iranian, Russian banks to support businessmen

Bank Melli Iran and Russia's Mir-Business Bank voiced their readiness to support economic activists of the two countries.

The announcement came in a meeting between Managing Director of Bank Melli Iran Mohammadreza Hosseinzadeh and Deputy Governor of Russia's central bank Dmitriy Eskobelkin, IRNA reported.



IRAN DAILY

Hosseinzadeh said that Bank Melli Iran and Russia's Mir-Business Bank are fully prepared to support economic activists of the two countries.

"Mir-Business Bank has a strategic role in establishing interaction between the two countries' banking systems and it is governed by Russia's rules and regulations. It has managed to provide businessmen with good banking services," the official said.

In late December, Russian Energy Minister Alexander Novak in an address to Iran-Russia Trade Conference said that the two countries' central banks had created better conditions than the past and the cash was transferred in a suitable way.

"10 major banks have resumed activities in Iran and Russia and a follow-up team has been commissioned to improve the conditions," Novak added.

Japan to import naphtha from Iran

Japan is set to import a naphtha cargo from Iran this month, a source said, marking the first such import from the Middle Eastern country since 2011.

Japan's Mitsubishi is to receive a naphtha cargo from Iran, a source with direct knowledge of the matter told S&P Global Platts.

Asked to confirm whether Mitsubishi is taking a cargo from Iran, the source said "not untrue," declining to elaborate further.

This will be Japan's first import of Iranian naphtha since the country last imported 47,212 tons in 2011, according to Japan's Ministry of Economy, Trade and Industry data.

Japanese trading houses and refiners did not import any naphtha from Iran since mid-2012 when the EU imposed a ban on P&I reinsurance cover for Iranian oil shipping, market sources said.

The EU ban on P&I reinsurance cover made it difficult for Japanese importers to take any Iranian oil products, although local refiners have maintained their crude, condensate imports from Iran, using the Japanese government insurance, which only covers VLCCs, sources said.

Despite the lifting of US and EU nuclear sanctions against Iran in January last year, Japanese importers did not take any oil products from Iran because of the unavailability of protection and indemnity coverage from US insurers and ambiguity over reinsurance coverage from American reinsurers.

News of Japan's Iranian naphtha imports emerged as Iran's new Persian Gulf Star Refinery shipped its second naphtha cargo. The first went to the UAE, with the second shipped to Japan in late January and due to arrive by a week.



Persian Gulf Star, Iran's first condensate refinery, is already gearing up for full operations at its first 120,000 bpd train.

"A couple of months ago, the crude distillation units produced diesel, LPG and naphtha. The CCR [continuous catalytic reforming] units are in the pre-commissioning phase. I hope this will take two or three months," Iran's Deputy Oil Minister Abbas Kazemi told Platts in Tokyo on January 26.

"Phase two will come maybe six months later, so by 2018 we should have full capacity," said Kazemi, who is also president of the National Iranian Oil Refining and Distribution Company (NIORDC).

Once fully operational, phase one of the Persian Gulf Star project will produce around 12 million liters per day. "Within six months, we will be self-sufficient," Kazemi said.

Another two phases at Persian Gulf Star will triple its gasoline output to 36 million liters per day. Combined with three million liters per day of gasoline from the new units at the Bandar Abbas refinery, Iran's total domestic gasoline production could rise by 39 million liters per day to 103 million liters per day, making it a significant net exporter of gasoline, Kazemi added.

Russia, Iran begin construction of power plant in Bandar Abbas

Russia and Iran began the construction of a 1.4-gigawatt thermal power plant in the city of Bandar Abbas in southern Iran, a Sputnik correspondent reported from the site on Monday.

The opening ceremony was attended by Russian Energy Minister Alexander Novak. In mid-December 2016 Russian company Technopromexport and an Iranian holding company signed an agreement on the construction of a thermal power plant in Iran which envisages the funding of €1.2 billion by Russia.

An Iranian deputy energy minister said in January that Russian companies are about to build a power plant and increase power generation at another in Iran.

Based on an agreement signed between Iran and Russia, the Russians will improve the efficiency at the Ramin power plant in Khuzestan Province to 50-55 percent from the current 36 percent, Alireza Daemi said.

Another Russian company will build a 1.4-gigawatt power plant in Bandar Abbas, Hormuzgan Province, he added.

"The two power contracts between Iran and Russia are worth several billion dollars. The details will be announced in the future," Daemi said.

Russia's Inter RAO will boost the efficiency of the Ramin plant — a 1.8-gigawatt station built by the Russians during the Soviet Union.



IRNA

Armenia supports EEU-Iran FTZ

Armenia actively supports the creation of a free trade zone between the Eurasian Economic Union (EEU) and Iran, said Armenian foreign minister.

Functioning since 2015, the EEU is a Russia-initiated regional political and economic bloc that aims to streamline the flow of goods and services between its

member states: Russia, Armenia, Belarus, Kazakhstan and Kyrgyzstan.



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Eduard Nalbandian told Sputnik. "At present, there is a possibility of creating a free trade zone between Iran and EEU which, of course, we support actively."

Nalbandian noted great perspectives for attracting Iranian business to the Armenian mar-

ket and underlined that Yerevan and Tehran continued to improve investment opportunities for bilateral cooperation.

"An important step in this process was visa waiver be-

between our countries which would also deepen bilateral trade and economic relations," Nalbandian said.

On Tuesday, Russia's First Deputy Prime Minister Igor Shuvalov will visit Iran to discuss a free trade zone between Iran and the EEU.

Iran's rail transport up 55%



IRNA

Iran's cargo transit via rail has experienced a 55-percent increase year-on-year during the 10 months to January 19.

Iran has not only raised transit tariffs much, it has been giving discounts as well due to the region's economic downturn, Hossein Ashouri, the director of the Transit Committee at the Islamic Republic Railways told Mehr News Agency.

Accordingly, the Iranian railways have been giving 30 percent discount on cotton and fertilizer from Uzbekistan, 30 percent on sulfur from Turkmenistan, 31 percent on mazut from Turkmenistan, and more, with all the tariffs ranging in percentage from 15 to 30, the official said.

However, he noted, the tariffs are given on goods transit from north to south and Central Asia to Iran; but if, for example, they are taken from Pakistan to Iran and then Central Asia, the tariffs will be five percent.

"The Islamic Republic Railways is considering reinvestigating the Central Asia-Pakistan corridor. Therefore, as a result of efforts over the past years, goods transit from Turkmenistan to the Mirjaveh checkpoint has increased by 20 percent amounting to 26,000 tons," Ashouri further noted.

Iraq, Iran sign MoU on oil export pipeline

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A cooperation agreement also finalized to develop Parviz (South Naft Khaneh) and Khorramshahr (Sindbad) oilfields shared by the two countries.

The neighbors signed an agreement in 2013 under which Iran would start exporting gas to Iraq to feed three power plants in Baghdad and Diyala but exports have yet to take place.

"Iran is ready to begin gas export to Iraq and Iraq is also ready to receive the gas. However, the letter of credit (L/C) for the project has not been opened yet," said Deputy Oil Minister Amirhossein Zamani-Nia after visiting Baghdad last week, adding Iran would turn on the spigots as soon as



SHANA

financial issues are resolved.

Iran is about to send 25 million cubic meters (mcm) a day of gas to Sadr, Baghdad and al-Mansuriya power plants through a 270-kilometer pipeline and this figure can go up to 35 mcm/d during the summer.

The Islamic Republic has another plan to ship 50 million cubic meters of gas per day via a separate pipeline to Basra for generating electricity.

In July 2015, Iran said it was building a combined-cycle power plant in the southern Iraqi city.

The project implemented by Iran's MAPNA Group aimed to add 3,000 MW to Iraq's national grid which is saddled with acute shortfalls at its current 8,500-MW capacity.