

SPECIAL NEWS
Domestic Economy Desk

Iran to start laying tracks for rail link to Azerbaijan

Iranian Deputy Minister of Roads and Urban Development Saeed Rasouli announced that his country will soon start track-laying operations for 40 kilometers of Astara-Rasht railroad which will link Azerbaijan's Southern city of Astara with Iran's network.



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The first phase of Astara-Rasht track-laying work, 40 kilometers out of the total of 160 kilometers, will start soon, Rasouli was quoted as saying by Fars News Agency.

Rasouli said Azerbaijan has also invested \$500 million for the construction of the railroad.

He urged the project contractor to finalize platforms and unloading facilities.

Earlier, Iran's President Hassan Rouhani emphasized the need for efforts to exponentially expand the relations and co-operation of Tehran-Baku, saying that the railway project of Rasht-Astara is an important step for the region and securing the interests of the two nations.

In his meeting with visiting Azerbaijani Foreign Minister Elmar Mammadyarov, Rouhani expressed satisfaction with the development of the positive relations and vigor created in the two countries' cooperation, and stated, "The will of Iran's authorities is to exponentially expand and strengthen all-out ties with Azerbaijan."

In July, Iranian and Azerbaijani officials in a meeting conferred on ways to further increase cooperation and reinvigorate relations between the two neighboring states amid the US sanctions against Tehran.

An Iranian parliamentary delegation headed by Qolamreza Tajgardoun met with Azerbaijani Minister of Economic Development Shahin Mustafayev in Baku on July 3.

During the meeting, they dealt with joint investment by the two countries' private and semi-state sectors.

Both sides also stressed the significance of launching Astara-Astara railway, and called for promoting volume of transportation and transit in the region.

Iranian firm to develop South Pars oil layer

The National Iranian Oil Company (NIOC) is set to grant the development project of the South Pars oil layer, in the Persian Gulf, to a domestic company, a senior official said.



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"The cooperation will be under Iran's new model of oil contracts, known as Iran Petroleum Contract (IPC)," NIOC Director for Planning Karim Zobeidi said, reported

Mehr News Agency. "Negotiations are also underway with domestic companies for the development of other fields such as Yaran and Sohrab," he added.

Noting that NIOC has already signed IPC-based contracts with domestic contractors for developing and increase the recovery factor of various oil fields such as Cheshmeh-Khosh, West Paydar and East Paydar, Sepheh, and Jofair, he said, "with these contracts going operational the production capacity of the country's oil fields will increase significantly."

Iran introduced its "Iran Petroleum Contract" in 2016 and replaced it with buyback models in order to attract more foreign investors into the country's oil and gas sectors.

In January, managing director of Pars Oil and Gas Company (POGC) which is in charge of developing Iran's South Pars gas field in the Persian Gulf, had said that this company is in talks with a number of Iranian companies on the development of the oil layer of the field.

Making the remarks in a press conference, Mohammad Meshkinfam said the negotiations were confidential.

South Pars is the world's largest gas field, but it also has significant oil reserves which Iran shares with Qatar across from the Persian Gulf.

Iran started pumping oil from the oil layer in March 2017 with the initial production of 5,000 barrels per day (bpd) which currently stands at 25,000 bpd, according to Meshkinfam.

The development of South Pars oil layer is still at the pilot phase, but the country sees positive prospects for 150,000 bpd of recovery in the currently producing reservoir.

Officials have said the development of the layer is a complex process requiring integrated development.

Domestic Economy Desk

Iran has exported 2.3 billion kilowatts of electricity to its neighbors since March 2019, announced the country's energy minister.

This has been achieved through improving management over domestic power consumption, Reza Ardakanian said in an address to a group of people in the northern Iranian province of Alborz on Saturday, IRNA reported.

He noted that this summer, the Energy Ministry managed to reduce the number of power outages in the country to zero by implementing 11 plans, which also led to a 3,700-megawatt decrease in electricity consumption during peak periods.

The minister said that at present, domestic agricultural units cooperate closely with the country's Energy Ministry, adding that during the 10-year time span to summer 2018, average electricity consumption during peak periods increased by five percent each year.

"This comes as this summer, consumption during peak hours increased by only one percent,"

He noted that since March 2019, the Energy Ministry's electricity supply to domestic industries has grown by 150,000 megawatt-hours, adding this was accomplished thanks to reduced consumption by industrial units as well as the domestic agricultural and household sectors.

"During the past 12 months, we managed to raise electricity generation by 3,800 megawatts."

He said by August 30, the Energy Ministry will inaugurate 227 projects, which have been implemented with \$7.85 billion in investments.

Ardakanian listed the ventures as building 10 big dams in nine provinces, setting up 2,000 hectares of agricultural water

Minister: Iran exported 2.3b kw of electricity in five months



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network in nine provinces and connecting 1,124 villages in 28 provinces to the national water supply network.

The minister added some of the other projects to be inaugurated by August 30 include construction of 39 wastewater treatment facilities in 12 provinces and 12 large water treatment facilities in nine provinces as well as building power plants in 13 provinces with a total capacity of 3,000 megawatts.

In addition to these projects, he said, implementation of 23 large plans, with an investment worth \$10.23 billion, will begin by the same date.

Ardakanian noted that since the summer of 2018, new power generation units, with a total capacity of 3,800 megawatts, have come on stream.

Since the victory of Iran's 1979 Islamic Revolution, the

country's electricity generation capacity has increased by 1,800 megawatts per year, on average, he said.

He added that from 2013 to March 2019, the country's power generation capacity has grown by 2,200 megawatts per annum, on average.

The minister said thanks to efforts by the Iranian government, close to 10,200 villages across the country, with a total population of 6.7 million, have been connected to the water network during the past six years, gaining access to healthy and sustainable water supply.

Commenting on Alborz Province's capacities and potentials in the field of implementing water, wastewater and electricity projects, Ardakanian put the number of such plans under implementation in the province at 652.

He noted that the Energy Ministry is implementing projects in the province, with \$2.76 billion in investments, some of which are expected to be completed by 2021.

The minister said, on average, the projects are 34 percent complete.

A few days ago, Ardakanian said Iran has set new records since March 2019 in terms of increasing power generation, reducing electricity consumption in peak periods and boosting power exports to neighbors in warm seasons.

The minister stressed that by inaugurating 15 new power plants in 12 Iranian provinces since March 2019, the Energy Ministry has managed to set a record in terms of increasing power generation in a 12-month period, raising the country's electricity production by 3,250

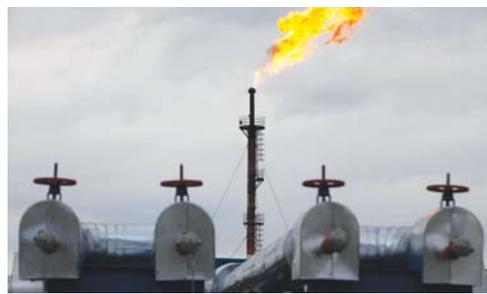
megawatts.

He said that by removing obstacles to boosting production and promoting innovation in the systems of the country's power plants, the ministry has added 570 megawatts to the country's power generation capacity.

Ardakanian added that following the implementation of a number of plans aimed at reducing power consumption by subscribers, another record was set as electricity consumption was lowered by 3,874 megawatts during the peak periods of this summer.

On the record set by the ministry in terms of power exports in the summer of 2019, he said during May 22-August 11, 2019, Iran exported 2.3 billion kilowatt-hours of electricity to neighboring states, which has been unprecedented over the past few years.

Islamabad eyeing further energy cooperation with Tehran



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Pakistani Federal Minister for Power Omar Ayub Khan, in a meeting with Iranian Ambassador to Islamabad Mehdi Honardoust, voiced his country's determination to further increase energy cooperation with Tehran.

"Pakistan is after increasing its relations with Iran in the energy sector," Ayub Khan was quoted as saying by Fars News Agency.

The Pakistani power minister then called for strengthening friendly ties between Iran and Pakistan.

For his part, Honardoust emphasized the need for strengthening ties between Iran and Pakistan.

"The two countries of Iran and Pakistan enjoy high potentials for cooperating with each other in the field of energy and this

issue can be beneficial to both countries," he stressed.

In May, the Iranian Foreign Ministry spokesman said that Tehran and Islamabad were holding talks on how to commission the long-awaited gas pipeline project that is due to take Iran's gas supplies to its energy hungry neighbor.

Abbas Mousavi told reporters that the diplomatic apparatus of Iran had begun new moves, adding that the foreign minister had started tours and activities which are mostly in Asia and the region in countries such as Syria, Turkmenistan, India, China, and Japan.

He added that these trips were in line with the national interests of Iran and would soon begin with diplomatic moves with the northern neighbors.

NIOC to offer heavy crude at IRENEX

The National Iranian Oil Company (NIOC) is planning to offer two million barrels of heavy crude oil in Iran Energy Exchange (IRENEX) on Tuesday for the second consecutive week.

The company will offer the crude at the price of \$50.37 per barrel in this round of offering, reported Mehr News Agency.

This is the seventh heavy crude oil offering by NIOC in IRENEX. The company also offered two million barrels of heavy oil on Wednesday at a base price of \$52.81 per barrel.

Similar to the previous rounds, buyers are required to buy at least 1,000 barrels of oil for land delivery and 35,000 barrels for sea delivery. Buyers can settle the payments 90 days after the transaction.

Buyers can receive their cargo up to three months after the transaction, and the delivery of the cargo in other areas is subject to approval by NIOC.



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