

Iran's oil industry: Challenges, progress, and promise

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EXCLUSIVE



One of the most valuable resources in Iran is its oil, which has played a significant role in the country's economy and political landscape for decades.

In 1951, Iran's Prime Minister Mohammad Mosaddeq, nationalized the country's oil industry, which had been under the control of foreign companies, primarily the Anglo-Iranian Oil Company (now known as BP). This move was met with strong opposition from the British government, which saw the nationalization as a threat to its economic interests in the region. The British government responded with a boycott of Iranian oil, which severely impacted Iran's economy.

However, Mosaddeq's nationalization of the oil industry was widely popular among Iranians, who had long resented the foreign control of their country's resources.

The nationalization led to the establishment of the National Iranian Oil Company (NIOC), which became the main operator of Iran's oil industry. The nationalization was a significant step towards Iran's economic independence, as it allowed the country to benefit from its own resources.

In recent years, Iran's oil industry has faced numerous challenges, including declining oil prices. However, despite these challenges, Iran has continued to develop its oil industry and has made significant progress in increasing its production and exports.

In 2016, Iran reached a historic agreement with six world powers, known as the Joint Comprehensive Plan of Action (JCPOA), which lifted some of the economic sanctions on the country, including those on its oil industry. The agreement allowed Iran to increase its oil exports and attract foreign investment in its oil industry. However, in 2018, the United States withdrew from the JCPOA and reimposed sanctions on Iran's oil industry.

Despite the sanctions, Iran has continued to develop its oil industry and increase its production. In 2020, Iran produced an average of 2.3 million barrels of oil per day, making it the fifth-largest producer in the Organization of the Petroleum Exporting Countries (OPEC). The country has also invested in the development of its oil infrastructure, including its refineries and pipelines, which has improved its capacity to process and transport oil.

Despite the sanctions imposed by the United States and other countries, Iran has continued to export its oil and oil products to countries such as China and India.

In recent years, Iran has also increased its exports of petrochemical products, which are derived from its oil industry. In 2020, Iran exported over 22 million tons of petrochemical products, making it the second-largest exporter of petrochemicals in the Middle East.

Despite the challenges faced by Iran's oil industry, the country has made significant progress in developing its oil resources and increasing its production and exports. The nationalization of the oil industry in the 1950s was a significant step towards Iran's economic independence, and the country has continued to build on this progress in recent years.

Iran's oil industry is a vital part of its economy, and the country's continued investment in the industry has the potential to bring significant benefits in the future. The country's strategic location between Europe and Asia, as well as its large reserves of oil and gas, make it an important player in the global energy market.

Iran's efforts to modernize its oil infrastructure and increase its production and exports will undoubtedly have a positive impact on the country's economy and help improve the lives of its citizens. In addition to its oil industry, Iran has also invested in other areas of its economy, including agriculture, tourism, and manufacturing. The country's large and educated workforce, coupled with its abundant natural resources, makes it well-positioned to continue to grow and diversify its economy in the coming years.

In conclusion, despite the challenges faced by its oil industry, Iran has a promising future ahead. The nationalization of the Iranian oil industry was a significant step towards the country's economic independence, and recent developments in the industry have further solidified Iran's position as a major player in the global energy market.

Iran, Iraq agree to speed up construction of key rail line



● IRNA

Iran and Iraq agreed to speed up construction of the Shalamcheh-Basra railway and the restart of the Tehran-Karbala combined train, CEO of Iran's railway company Miad Salehi said.

"During the joint commission of the two countries which was held yesterday and today in Baghdad, good understandings were made with the officials of the new Iraqi government in the field of rail link, especially the acceleration of the construction of the Shalamcheh-Basra railway as well as the announcement of the both sides' readiness for a rail connection from the Khos-

ravi border," Salehi noted, reported Press TV.

The railway linking the southern Iraqi oil city of Basra and the Iranian border town of Shalamcheh will help facilitate exports to Iraq and expand pilgrimage between the two countries.

The Shalamcheh-Basra railway has been in the works for more than 20 years. The two sides signed a new agreement in December 2021 to complete the rail link in two years.

The connection is very important for Iran and Iraq both in terms of transit and passenger movement, especially in the Arbreen when

millions of pilgrims travel to Iraq, and the relationship between the two countries.

Once completed, it will create an east-west rail transit corridor to the Mediterranean Sea, linking the Iranian port of Khorramshahr to Latakia in Syria through Iraq's Basra by extension.

In 2015, Iran launched an extension of the railway from Khorramshahr to Shalamcheh at the border. What remains is a mere 32 km track that will connect Shalamcheh to the Iraqi port.

However, it requires building a 900-meter bridge over the southern end of the Arvand river that constitutes the

Iran-Iraq border down to its mouth, where it discharges into the Persian Gulf.

Under the agreement, the Iranian and Iraqi companies will jointly study and implement the Shalamcheh-Basra railway.

The project is key to streamlining trade between Iran, Iraq and Syria. It has the potential to revolutionize economic relations among the three countries in their emerging alliance.

Iraq became Iran's most important trading partner after the overthrow of former dictator Saddam Hussein in 2003, and since then it has increased the volume of annual trade exchange which the two countries seek to raise to \$20 billion.

Meanwhile, Iran and Syria are strategic partners and planning an all-out expansion of economic relations in the aftermath of their relentless battle against foreign-backed Takfiri terrorism in the Arab country.

Iran is currently linked with many countries, such as Russia, Turkey and recently with Pakistan. The construction of the Shalamcheh-Basra railway will connect Iraq not only to Iran, but also to Afghanistan, Pakistan, the Caucasus, Central Asia, and the Far East.

In addition, it can potentially turn Iraq into the transit route of goods between the Arab countries of the Persian Gulf and Central Asia and Russia.

Added value created in Iran's mines rose 75% in 2021: *SCI*



● IRNA

Figures by the Statistical Center of Iran (SCI) showed that the added value created by mines in the country rose by 75% year on year in the Iranian year to March 20, 2022.

SCI figures indicated that mines that were active in Iran in the calendar year 1400 had created more than 2,197 trillion rials (nearly \$5 billion on current exchange rate) of added value over that period, Press TV reported.

The figures indicated that investment in Iranian

mines also rose by 43.6% in the year to late March 2022 to reach more than 78.7 trillion rials.

The number of active mines in Iran also increased by 243 or 4.2% from the year to March 2021 to reach 6,025 mines, said the SCI, adding that the number of jobs in the Iranian mines had reached a total of 130,358, up 8.3%.

Mining output in Iran increased by 84.1% year on year in the calendar year 1400 to reach over 2,750

trillion rials, showed the figures by the government statistics agency.

The figures come amid Iran's continued efforts to expand its mining and metals sector as part of a program to diversify the Iranian economy away from oil export revenues.

Experts believe that increased investment in mines in Iran has led to higher exports from the sector while enabling the government to create tens of thousands of new jobs for the country's youth.

Iran's energy exchange reports record sale of LPG shipments

Iran Energy Exchange (IRENEX) reported a yearly record sale for three shipment of liquefied petroleum gas (LPG) amid reports suggesting Iran's hard currency revenues from LPG exports have increased significantly in recent months.

The IRENEX said in a statement that the sale earlier in the day of three LPG shipments weighing 192,000 tons for \$124.6 million was the highest reported in the market since the start of the calendar year in late

March 2022, according to Press TV.

The statement said 12 international bidders had competed for the LPG shipments listed on IRENEX.

It said the largest shipment of the three that weighed 180,000 tons belonged to the National Iranian Gas Company.

The sale came amid reports suggesting Iran has earned more than \$6.5 billion worth of revenues from LPG exports over the 11 months to late February.



● SHANA

Iran has increasingly relied on sales of petroleum products and petrochemicals in

recent years to offset the impacts of American sanctions on its crude oil exports.