

NEWS IN BRIEF

Oil climbs
almost 3%

REUTERS – Oil rose almost 3% on Monday as U.S. recession fears eased and some traders took the view that crude's recent price slide was overdone with three straight weekly declines for the first time since November.

Brent crude was up \$2.05, or 2.7%, at \$77.35 a barrel by 1330 GMT. U.S. West Texas Intermediate (WTI) crude also gained \$2.05, or 2.9%, to \$73.39.

Sweden may
miss CO2
targets with
biofuel cut

AFP – Sweden will struggle to hit its 2030 emissions targets, a government agency warned on Monday, after the country's minority coalition cut the biofuel that must be added to diesel and gasoline.

The right-wing Sweden Democrats-backed coalition government has already cut fuel taxes, raised tax breaks for people driving to work and ended new electric vehicles subsidies. Mixing in biofuels from renewable sources is a way to reduce emissions from cars, but the government said at the weekend it will cut the required amount of biofuel to 6% in 2024 and for it to remain at that level until the end of 2026.

Euro zone
retail sales
fall more than
expected

REUTERS – Retail sales in the euro zone fell more than expected in March, Eurostat said, as rapid inflation and rising interest rates ate deep into disposable incomes to limit households' purchasing power.

Retail sales volumes in the 20 nations sharing the euro currency fell by 1.2% in March from the previous month, outpacing the 0.1% drop seen in a Reuters poll of economists.

Iran's crude output rises
by 600k bpd: **NIOC**

● SHANA

Economy Desk

The CEO of National Iranian Oil Company announced the daily increase of 600,000 barrels of crude oil production in the current government and said, "This year's plan is to increase production and use various measures in line with this issue."

Mohsen Khojasteh-Mehr stated that we have a gas shortage in the country, so if we don't have investment and new technology, we will have a shortage in the oil sector as well. He said 50 percent of the research budget of the Ministry of Oil is dedicated to the National Iranian Oil Company, of which 50 percent is allocated to universities, and now we are cooperating with universities in a problem-oriented way. He added that so far, six contracts have been signed regarding the restoration of oil wells, and we expect this trend to continue. The increase in oil and gas extraction is one of our key issues.

"If we can have a one percent increase in extraction

in the country's oil reserves, we will have eight billion barrels in reserves. Extractable will be added." The NIOC head stated that the most important challenge in gas production is excessively high domestic consumption, adding that we spend 14.5 percent of the country's oil and gas revenues to boost the country's gas production capacity.

Khojasteh-Mehr said that the South Pars joint field contains about 50 percent of Iran's gas reserves and now accounts for 70 percent of Iran's gas production.

"At the beginning of the current government, due to the shortage and export obligations, we tried to increase gas production, so that for the first time, 705 million cubic meters of gas were produced from 37 South Pars platforms in the Persian Gulf, and a new record was made."

Production to start from
SP Phase 11

Khojasteh-Mehr said that early production from Phase 11 is on the agenda

and so far four wells have been drilled and its offshore pipelines were transferred to onshore areas.

The ground has been paved to move Platform C of Phase 12 of South Pars to the location of Phase 11 and the platform will be installed soon.

He said that on the other hand, the tender for the construction of the jacket and the second platform of Phase 11 has been held and efforts are being made to start production with a capacity of 11 million cubic meters per day before winter.

"These measures are very valuable and at the international level, which are being done by Iranian engineers and specialists, while it was believed that only Total could do it."

The NIOC head said that we have recently reached a new exploration target in Balal field, as we are constructing a jacket to exploit this field.

"We will start development programs, based on planning for acidizing 400 wells in the South Pars gas field to improve and

increase production; on the other hand, planning to drill 35 new wells in South Pars and holding tenders for them is being implemented with the aim of compensating for the drop in production."

Khojasteh-Mehr stated that we had sweetening operations in the second and third phases of South Pars to produce 80,000 barrels of sweet gas condensate per day, which was one of the reasons for the increase in production.

Collecting 80% of gas
flares

Emphasizing that NIOC's serious plan is to pursue the projects of collecting flare gases, he said, "In the recent visit of the president to Khuzestan Province, three gas and liquefied gas plants were put into operation, which collect 850 million cubic feet of flare gas daily."

He added that currently 80 percent of the flare gases of Khuzestan Province and some neighboring provinces are being collected and our plan is to collect 100 percent.

Khojasteh-Mehr stated that the number of new technology-based firms (NTBFs) in the oil and gas industry has increased from 150 to 500. Stating that this year the seventh development plan of Iran will be ratified, and in this plan, the increase in production and surge in extraction is highlighted, he said we must make the NIOC production oriented. The official added that most of our research activities were related to the growth of oil and gas production.

We should focus more on this issue as a common corrosion in offshore and land pipelines affects our production. For example, a corrosion case in Phase 16 offshore pipeline reduced the country's gas production by more than 28 million cubic meters.

According to Khojasteh-Mehr, oil and gas production must be technology-based so that we can boost it.

"If we can improve the quality of infrastructure in the oil industry, we will be able to increase production."

Completion of Shalamcheh-Basra railway after 20-year spell

Economy Desk

During a meeting between Iranian Roads and Urban Development Minister Mehrdad Bazrpash and his Iraqi counterpart Razak Muhibis al-Saadawi in Tehran, the two sides made an agreement on the completion of the Shalamcheh-Basra railway. During the meeting between Bazrpash and the

Iraqi visiting delegation, a decision was made regarding the Shalamcheh-Basra railway, with a length of 32 kilometers and the construction of a movable bridge. According to the discussion at this bilateral meeting, it was decided that Iraq would hand over the land to the Iranian side as soon as possible.

Also, the construction of infrastructure, pavement

and buildings required for the route will be carried out by the Iraqi Republic Railways Company.

Operation of
Shalamcheh-Basra
railway

The managing director of the Islamic Republic of Iran Railway Company (Raja) said if Iraq fulfills its commitments in the Shalamcheh-Basra project, the railway line will be put into operation in the next one and a half to two years.

Talking about the presence of the Iraqi delegation in Iran and the Shalamcheh-Basra railway project, Seyyed Miad Salehi said the Iranian and Iraqi technical, political and military delegation, as well as the railway officials of the two countries perused the project according to the approved maps.

They also visited Shalamcheh, the new passenger station built at the border of Shalamcheh, the lands on both sides of Arvand River and Sinbad Island at the bridge construction site, as well as the construction site of the new Basra railway station.

He added that the visit lasted for four hours and, after that, a six-hour meeting was held with the Iraqi delegation, during which detailed maps were presented by the Iraqi side.

He said considering that the movable bridge of the project requires an opening to provide the possibility of ship traffic, its construction requires special technology and will be built by Iranian engineers.

According to Salehi, the delivery of the bridge foundations will be done in the southwestern part

of Arvand River within two months.

Completion in two
years

Speaking about the signing of the memorandum of understanding (MoU), Jalal Mokhtari, the director of public relations of Raja, said the plan for the construction of the railway project has been handed over to Iraqis and, according to arrangements, the parties will implement the agreement.

He further added that Iraqi officials will come to Iran to visit the appropriate locations. Considering that the project will be completed within two years, it has already started in Iran.

The contractor will decide to use Iraqi- or Iranian-made materials and equipment for the rail project in the future, he added.

Importance of
Shalamcheh-Basra
railway project

The Shalamcheh-Basra project, which will connect Iran to Karbala by railway, is one of the projects that, despite its importance from the point of view of pilgrimage and commerce, has not been implemented in these years, but Iraq has promised to allocate 215 billion Iraqi dinars for the project, and has emphasized that it would complete the project in 2023.

The launch of the railway line has been proposed during the past 20 years, as in these years it has had its ups and downs and, now, considering the approach of the current Iranian government on economic diplomacy and cooperation with neighboring countries, the question remains, will this rail route break the spell or not?



● IRNA