

## NEWS IN BRIEF

## Iran, Azerbaijan begin constructing transport corridor



IRIB

IRNA – Iranian Transport and Urban Development Minister Mehrdad Bazrpash and Azerbaijani Deputy Prime Minister Shahin Mustafayev participated in the concrete-pouring ceremony for the construction of the Aghband Highway and Bridge at the border zero point of the two countries on Friday, IRNA reported. This joint border bridge will be built on the Aras River and be a passage between Iran, Nakhchivan, and the Republic of Azerbaijan.

## Iran, Italy to facilitate economic cooperation

IRNA – Iran's Ambassador to Italy Mohammad-Reza Sabouri and President of the General Confederation of Italian Industry (CON-FINDUSTRIA) Carlo Bonomi have agreed upon the formation of a joint working group for the development of economic cooperation between the two countries. The two sides discussed the cooperation capacities of both countries in various fields including energy, agriculture, technology, and tourism on Thursday. Bonomi, for his part, emphasized that the Italian private sector is ready to utilize its capacities to help develop economic ties between Iran and Italy.

## Transshipment from Khuzestan surged

## Economy Desk

The transshipment from two border terminals of Iran's Southwestern province of Khuzestan exceeded 1.883 million tons of goods, said the deputy director of transport of the General Department of Highways and Road Transport of Khuzestan. Foad Ghaziali added that 1.42 million tons were transhipped solely from the Shalamchek border terminal, which indicates an 89% growth compared to the same period last year. Meanwhile, the transshipment volume recorded from Chazabeh border terminal has been 455,417 tons, which shows a 23% decrease compared to the same time last year.

# Iran mulling over restoring tourism ties with Egypt

Canceling visa requirements for Saudis on agenda: *Minister*

## Economy Desk

Iran's Minister of Cultural Heritage, Handicrafts, and Tourism Ezzatollah Zarghami said that the Islamic Republic of Iran has started mulling over the restoration of tourism ties with Egypt, adding that the ministry is waiting for the diplomatic decision that would be taken by the Foreign Ministry. In an interview with IRNA on Friday, Zarghami said that Iranian travel enthusiasts and those involved in the tourism have for months been discussing the possibility of traveling to Egypt in the near future. "Our private sector has even commenced its negotiations with its Egyptian counterparts," he pointed out. Zarghami maintained that the ministry has been in contact with a representative of the Iranian Air Travel and Tourism Offices, some of whom have

traveled to Egypt to lay the groundwork.

"Expanding tourism ties with Egypt is a useful way to enhance ties between the two nations," said Zarghami.

He said that expanding tourism relations with foreign countries and facilitating travel to Iran is the priority of the Ministry of Cultural Heritage, and added that his ministry has provided the government with a visa waiver plan with 68 countries.

Visa-free travels of the first group of Russians to Iran began recently, he said, expressing hope that by facilitating travel to Iran, tourists from other countries will soon follow suit.

"The first successful instance of implementing such a plan was achieved last year for Iraqi tourists, who can now easily drive to Iran through border crossings," the minister highlighted.



Referring to the recent ceremony held in Riyadh, the capital of Saudi Arabia, to celebrate World Tourism Day, Zarghami said that his deputy Maryam Jalali attended the cere-

mony and proposed the formation of a working group to cancel visas between the two nations. Zarghami noted that in his message to his Saudi counterpart Sultan al-Musallam

— which was conveyed by Jalali — the high official of the Saudi Ministry was invited to visit Iran, and it was decided to make the necessary planning and coordination.



Iran's Minister of Cultural Heritage, Handicrafts, and Tourism Ezzatollah Zarghami  
IRNA

## 15 GW power shortage addressed



QUDS ONLINE

## Economy Desk

The incumbent Iranian government has solved the 15,000-megawatt (MW) power shortage it was facing when it took office more than two years ago, according to the head of Iran's Plan and Budget Organization. Davoud Manzoor said Friday that the country and especially its households have not witnessed a widespread power outage during the summer of this year, thanks to the efforts made by the

government and the Ministry of Energy, Quds Online reported. He made the remarks on the sidelines of inaugurating a 16,000 MW power plant in Siminshahr in Iran's northeastern province of Golestan. Manzoor added that the government plans to supply the power needs of its farming and industry sectors by attracting investments from the private sector so that it would no longer be forced to cut the power to those sectors. "Iran has the capacity to

generate 91,000 MW of electricity," he said, adding that it is among the top countries of the world when it comes to transmitting and distributing electricity. The official noted that further investment from the private sector would reduce losses during power transmission and distribution, which is why the government plans to buy the products of the private sector, thereby hopefully creating motivation for investing in the power sector.

## Causes, potential solutions to gasoline 'imbalance'

## Economy Desk

The widespread importation of vaccines and the decline in COVID-19 cases in Iran since mid-2021 have led to a sudden and significant increase in gasoline consumption. This situation, combined with the neglect of new refinery construction and gasoline production, resulted in a supply-demand imbalance in the country. According to an analysis of the 10-year trend in gasoline consumption reported by the National Iranian Oil Refining and Distribution Company, the average daily gasoline consumption this year is estimated at 120 million liters, while conventional refinery production averages 105 million liters daily, indicating a daily imbalance of 15 million liters. Ali Akbar Nejad-Ali, the former CEO of the company, discussed the latest gasoline

consumption figures for the first six months of the Iranian year, which began on March 21, 2023. He said that average daily gasoline consumption during these six months was 116 million liters. However, during the same period last year, this figure was 102.5 million liters, indicating consumption growth of 13.5 million liters per day, as reported in an interview with Fars news agency.

## Disadvantage to the economy

According to statistics from the Iran's customs office, Iran had no gasoline exports last year, and in an optimistic scenario, maintained a favorable trade balance. Therefore, the 13.5-million-liter per day increase in gasoline consumption this year has resulted in a gasoline supply-demand imbalance. However, the Min-

istry of Oil appears to have implemented measures to prevent gasoline imports, such as increasing production quantities at existing refineries at the expense of quality and utilizing petrochemical capacities to secure gasoline raw materials. Nevertheless, this means that the disadvantage caused by the increase in the consumption of 13.5m liters of gasoline has been imposed on the country's economy in a way that if it is not compensated in the form of imports, it will definitely lead to a drop in the production of petrochemicals and a decrease in the quality of produced gasoline. Is there a solution to address the gasoline imbalance? Certainly, the fundamental solution to this problem is to improve the country's automotive industry, which produces

cars that consume twice the global gasoline standard. Jalil Salari, the CEO of the National Iranian Oil Refining and Distribution Company, said, "In a situation where there is no attention to optimization, and domestic cars consume, on average, twice the global standard of gasoline, it is impossible to meet the demand by building more refineries and increasing gasoline production." Experts highlight that a major obstacle to constructing refineries and increasing gasoline production is the lack of financial resources. The construction of a 300,000-barrel refinery requires an investment of approximately \$10b, which is challenging even in non-sanctioned conditions. Calculations suggest that if Iran's automotive industry were in standard condition, gasoline consumption would have halved by now.

Assuming an export price of \$0.5 per liter, the country could have generated an annual income of \$10b. Furthermore, utilizing CNG can significantly reduce gasoline consumption. For every one cubic meter of CNG consumption at existing stations, there is a potential reduction of one liter of gasoline consumption, potentially saving up to 40 million liters of gasoline, according to the head of Iran Gas Station Owners Union, Homayoun Salehi. In a discussion of the relatively small position of CNG

in the country's fuel basket, Salehi said, "It is undeniable that CNG can carry a significant load off gasoline. However, the plan and strategy were to have car manufacturing plants produce vehicles that could use CNG as a standard fuel, both to reduce gasoline consumption and because CNG is a more cost-effective fuel. Moreover, clean air is important, and pollution should be minimized. But according to predictions, automakers did not take significant steps toward achieving these goals.

