

Optimization plan, more gas storage to help Iranians enjoy winter

Economy Desk

PERSPECTIVE

Trying to help get through the winter easily for Iranians is one of the priorities of the Ministry of Oil, which, in order to achieve this goal,

has preventive strategies, including boosting gas and liquefied storage as well as implementing energy optimization plans.

The beginning of the cold season is always accompanied by an increase in the use of oil and gas products, especially in the household sector, while in recent years, Iran has experienced a daily gas shortage of about 250 million cubic meters.

Energy experts believe that the reasons for the gas shortage are related to indiscriminate consumption, both in the household and industrial sectors, improper planning for gas storage, reduction of investment in the energy sector, and the cheap tariffs of energy carriers.

By reviewing the experiences, the Ministry of Oil made efforts to take effective steps to pass through the winter easily, including making greater investment in the infrastructure sector, and developing gas storage plans along with implementing four big plans to optimize energy consumption.



Smartening plans

Smartening the gas distribution network of major industries and domestic and commercial consumers is also a priority action in the agenda of the National Iranian Gas Company (NIGC).

The national plan for optimizing the furnace room of resi-

dential and commercial units was also put on the agenda, in line with the policies of the Ministry of Oil to optimize the consumption of natural gas and as a result reduce air pollution and the cost of users.

The plan also helps create employment in the country, with

financial and technical support for those who have a central heating system which will be checked for free.

According to the announcement of the NIGC, the number of optimization of furnace houses in the first year of implementation was 9,000, and in

the second year, the figure hit 34,000, and now it has reached about 80,000.

Replacing 4.1 million high-efficiency heaters with low-efficiency ones is on the agenda, as it has been announced that this project will be completed in three years.

Storage of 3 bcm of natural gas

This Iranian year, in the field of storage, an unprecedented record was set in the last decade, as a total of about 3 billion cubic meters (bcm) of gas were injected into the underground storage tanks of Sarajeh in Qom Province and Shourijeh D in Khorasan Razavi Province.

On the sidelines of a cabinet meeting on Wednesday, Minister of Oil Javad Owji announced the increase in the daily production of 50 million cubic meters of gas since the beginning of the incumbent government in August 2021.

According to him, the volume of injected gas to storages is 3.1 bcm, as 3.2 billion liters of liquid fuel is now kept in tanks, which has increased by 15 and 21 percent, respectively, compared to last year.

Also, the Ministry of Oil and its affiliated companies have special plans for the development of storage projects, including the second phase of gas storage project in Shourijeh field as well as conducting feasibility studies on construction of other storage facilities.

Offering incentives

Iran's First Vice President Mohammad Mokhber recently announced the details of providing discounts and incentives to natural gas users, in line with encouraging gas clients for optimal consumption.

He urged ministries, organizations, institutions and state-run companies, the Armed Forces and general governorates to observe the optimal and safe consumption of natural gas.

Expert view

The average storage capacity of natural gas in the world is 11 percent of the total gas consumption.

This figure is, on average, 23 percent in European countries, and only 1.4 percent in Iran.

The storage capacity of the country is currently about 3.4 billion cubic meters, and the capacity of using hydrocarbon reservoirs for natural gas storage is up to a capacity of over 200 million cubic meters per day.

Nersi Qorban, an energy expert, believes that the government should offer low-interest loans or incentives to industries in order to build gas storage facilities.

Our country has surplus gas in the summer, he said, adding that we can provide this surplus gas to industries in various forms including LNG, LPG, CNG, and natural gas. Gas storage by industries has a significant effect on solving the seasonal shortage of gas in winter and, at the same time,

industries can store natural gas to use when they face a gas shortage, Qorban noted. It is necessary to attract investors for gas and liquid fuel storage, Qorban emphasized, saying that measures have been initiated for gas storage, which must be developed.

Referring to the very low cost of energy in the country, Qorban said that gas consumption in the winter season can be lowered by increasing the price of energy.

Iran, Russia witness growth in maritime transport

A senior official at Iran's Ports and Maritime Organization announced a significant increase in maritime transport between Tehran and Moscow in recent months.

Khosrow Saraei, the director general of the PMO office of transit, logistics, and agreements noted that Iran has offered an 80-percent discount on the roll-on/roll-off (RO-RO) ships to accelerate the process of transport between the two countries, IRNA reported.

Referring to the exchange of delegations between the two countries and the visit of the Russian delegations to the northern and southern Iranian ports, Saraei harbored hope that such exchanges and visits would expand bilateral maritime cooperation. "Iran's maritime transport is ready to transit 20 million tons of goods."

Economic growth in dire need of boosting insurance industry



By Reza Abesh Ahmadlou
Staff writer

The insurance industry is a vital part of the Iranian economy, providing financial protection and risk management services to individuals and businesses. The insurance industry is regulated and supervised by the Central Insurance of the Islamic Republic of Iran, which is an institution

established in the form of a state-owned company. The Central Insurance of the Islamic Republic of Iran is also empowered to carry out compulsory and non-compulsory reinsurance business.

According to the latest available data, there are over 25 direct insurance companies and two reinsurance companies operating in the Iranian market, most of them established in the last 10 years. The insurance companies offer a variety of products and services,

including life, health, property, liability, motor, marine, aviation, engineering, and agricultural insurance. The insurance companies render their services through over 1,000 branches, a network of 34,000 agents and nearly 600 brokers.

The insurance industry plays an important role in the economic growth of Iran by mobilizing savings, facilitating investment, enhancing financial stability, and supporting social welfare. It also contributes to the gross domestic product (GDP) of Iran by generating added value, creating employment, and paying taxes. The insurance industry also helps to diversify the economy and reduce its dependence on oil revenues, which are volatile and subject to external shocks.

The industry also supports the development of other sectors of the economy by providing risk transfer and risk sharing mechanisms. For example, the insurance industry enables the expansion of trade and commerce by covering the risks of transportation and credit. The insurance industry

also fosters the development of capital markets by investing in securities and providing long-term funds. Moreover, it promotes social welfare by providing health insurance, pension plans, and social security plans.

In Iran, the insurance industry has faced several challenges and opportunities in recent years, such as the impact of sanctions, the COVID-19 pandemic, climate change, and technological innovations. The insurance industry has shown resilience and adaptation to these changes by adjusting its products, prices, and distribution channels. Furthermore, it has also benefited from the government's reforms and policies, such as the health transformation plan, the development plan, and the compulsory health insurance coverage law.

The insurance industry in Iran has a great potential for further growth and development, given the low insurance penetration and density, the large population, the young and educated workforce, and the rich natural resources of the country. It can leverage the

opportunities offered by regional and international markets, especially the neighboring countries and China. However, the insurance industry also faces some challenges and threats, such as the gap between private and public medical expenses, the lack of international credit ratings, competition from foreign insurers, and regulatory and legal uncertainties.

To achieve its full potential, the insurance industry in Iran needs to overcome these challenges and seize these opportunities by implementing effective strategies and policies. Some of the possible strategies and policies include: improving the quality and efficiency of insurance services, enhancing the financial and technical capacity of insurance companies, developing new and innovative products and services, expanding the coverage and benefits of insurance schemes, strengthening the supervision and regulation of the insurance market, increasing public awareness and trust in insurance, and fostering cooperation and integration with other sectors and countries.



The photo shows the building of the Central Insurance of IR Iran in Tehran.