

## NEWS IN BRIEF

**Iran keen on investing in Afghanistan's mining sector: *Kabul***

The Ministry of Mines and Petroleum of the caretaker government of Afghanistan has announced that Iranian investors are interested in investing and operating in the mining sector of metals and oil and gas in the neighboring country. In a statement, officials of Afghanistan's Ministry of Mines and Petroleum said that Deputy Minister Zia ur-Rahman Aruobi met with Iran's deputy ambassador to Kabul, university professors and a number of Iranian investors in the Afghan capital, IRNA reported. The Iranian and Afghan delegations held talks on investment in Afghanistan's mining sector, they said. According to the statement, Iranian investors provided explanations about the activities of their companies and expressed interest in investing in metals mining as well as oil and gas sectors in Afghanistan. The Afghan deputy minister also welcomed the willingness of Iranian businessmen to invest in Afghanistan's mining sector, stating that the ministry will not spare any effort and cooperation with Iranian investors.

**Economic Council okays NIOC plan to boost crude output**

The Economic Council of Iran approved a plan proposed by the National Iranian Oil Company (NIOC) to boost oil production in 34 oil fields. The plan is slated to raise Iran's daily oil production swiftly by 250,000 barrels, as reported by Oil Ministry's press service Shana. Speaking at a meeting of the council on Monday, First Vice-President Mohammadreza Aref highlighted the important role and performance of the Economic Council in the framework of the decision-making processes in the country. He said the council was in charge of coordinating decisions made by different ministries and other governmental bodies amid planning and directing financial resources toward the country's largest developmental and infrastructural projects. "Regarding the role and performance of the Economic Council and prompting its status, it is necessary to avoid creating parallel councils and committees, so that the government will be able to realize the president's announced strategies, promises, and programs as soon as possible," the first vice-president said.

**Iran registered highest crude output since late 2018: *OPEC***

Iran continued to increase its oil output in July despite continued restriction on its exports because of US sanctions as highest extraction was reported since late 2018 which was below 3 million barrels per day (bpd). Latest data from the Organization of the Petroleum Exporting Countries (OPEC) showed that Iranian oil output had reached

an average of 3.271 million bpd in July, up from 3.25 million bpd reported in June. Iran remained the third largest oil supplier in OPEC after Saudi Arabia and Iraq, the data showed. Total oil supply by OPEC's 12 member countries reached 26.746 million bpd in July, up from 26.562 million bpd in June, the organization said, citing in-

formation it had received from secondary sources. Saudi Arabia, the largest oil exporter in OPEC and in the world, increased its output by 97,000 bpd in July compared to the previous month, showed the OPEC data which indicated that seven other members of the bloc had experienced growth in output. Iran, Venezuela and Libya are

exempt from production cuts agreed between OPEC members and allies like Russia which together form a bloc known as OPEC+. The OPEC data showed that the price of Iran Heavy oil grade rose by 1.1% or 91 cents month on month in July to reach 84.57 per barrel. That came against an OPEC Reference Basket price of

\$84.43 which was \$1.1 higher than the price reported in June. The average price for Iran Heavy in 2024 has been \$83.62. OPEC's July forecasts about global demand for oil were unchanged from June as the organization expected that total demand for oil in the world to reach an average of 104.460 million bpd in 2024 and 106.310 million bpd in 2025.

**Energy minister nominee vows to tackle power shortage**

Iranian President Masoud Pezeshkian's pick for Energy Minister said he is determined to tackle a widening gap between the demand and supply for electricity in the country. Abbas Aliabadi told members of the Parliament that Iran has an imbalance of 18 gigawatts (GW) between supply and demand for electricity which has been exacerbated in recent years due to growing demands for cooling in the summer months, as reported by Press TV. Aliabadi said that he will tackle the shortage with massive renovation programs at power plants and by completing unfinished power plant projects.

He said that the Energy Ministry under his leadership will prioritize expansion of Iran's renewables sector while trying to increase electricity trade with neighbors. Aliabadi was CEO of Iran's largest energy construction and engineering company MAPNA for 14 years until he became industry minister in 2023. During his time in MAPNA, he introduced a home-grown turbine manufacturing program which helped various governments with their plans to launch new power plants or to renovate the existing ones. MAPNA has also been in charge of major renewables projects in Iran, including many wind

farms across the country that rely on modern equipment manufactured by the company. Aliabadi told the Iranian Parliament's Energy Commission that Iran also faces a major imbalance in supply and demand for water. He said that the country has to expand water desalination projects along its southern coasts and build dams on rivers along the borders to be able to respond to growing demand for water in Iran's household, manufacturing and agriculture sectors. Iran's Parliament will start debates on a list of 19 ministers proposed by Pezeshkian on August 17.

**Role of NDF in Iran's development**

The new cabinet lineup unveiled by President Masoud Pezeshkian has ruffled feathers among his supporters who say some of the nominees signify an unceremonious departure from his election promises, but others beg to differ and believe it is "practicable." Reza Mohammadi, deputy director for investments and resources of the National Development Fund (NDF), said the saving platform is ready to provide the next administration with necessary support to press its development plans, Press TV wrote. So far, the sovereign wealth fund has underwritten \$36.2 billion worth of projects across a wide range of sectors, playing a key role in the country's infrastructure building. The expenditure includes \$23.07 billion for oil and gas development, \$6.7 billion in the industry sector,

\$4.6 billion for building power plants, \$583 million in the water sector, \$1.1 billion in transportation, \$120 million in medicine and \$15 million in tourism, according to Mohammadi. The new government faces a list of challenges, from the need to create jobs to tackling inflation and a ballooning energy deficit. Mohammadi said in order to play an effective role in the new administration's success, the National Development Fund has proposed several important programs to resolve some of the existing imbalances, the first of which is the electricity deficit. Since its inception in 2011, the fund has financed the construction of 46 power plants with 7,200 megawatts of installed capacity. The electricity deficit hit 18,000 megawatts this summer, Mohammadi said, adding the country faces an annual increase of 5% in con-

sumption. With an investment of about \$7.5 billion over three years, more than 15,000 megawatts of the deficit will be covered. Official statistics indicate that 13 percent of Iran's electricity is lost during transmission and distribution, which is enough to power all electricity supplies needed in the steel industry. The sovereign wealth fund was established to transform revenues from the sale of oil, gas, gas condensate and oil products into productive investments for future generations. The fund is a member of the International Forum of Sovereign Wealth Funds, and thus a signatory of the Santiago Principles on best practices in the management of such funds. A sovereign wealth fund is a savings account in which a nation saves surplus current revenues in a way

that supports future public spending and investment, by growing those funds in financial assets. Many countries around the world have sovereign wealth funds, especially those with national revenues and incomes coming from natural resources. However, some administrations treat it as a piggy bank during hard times. According to state officials, Iran's National Development Fund once had \$150 billion in assets, \$100 billion of which was withdrawn by various administrations and another \$40 billion was given out in loans to the private sector.

Critics say this amounts to treating the fund like a bank, from which the governments borrow whenever they face a shortfall, but they often fail to pay back. According to Mohammadi, the oil industry currently has \$17.6 billion in outstanding debt owed to the National Development Fund. Despite the arrears and irregular withdrawals by the government, the fund has been able to contribute to the country's development in various fields of energy, industry, agriculture and services with one third of its remaining resources, he said.

