

## Iran's subsidized imports top \$27b: CBI

The Central Bank of Iran (CBI) said it has subsidized more than \$27 billion worth of imports into the country in nearly five months that have passed since the start of the calendar year in March 20.

CBI figures showed that some \$27.263 billion had been allocated to imports of basic goods, medicine, commercial goods and products and imports that have taken place in return for exports of goods or services from Iran between March 20 and August 16, Press TV wrote. The CBI has a rate of 285,000 rials per US dollar which it uses to subsidize imports of basic goods and medicine. The rate is much lower than a market price which is currently hovering around 590,000 rials per US dollar.

That comes as importers can also receive hard currency at a rate applied in CBI's Integrated Currency System and is known by its Persian initials NIMA. The price was 450,937 rials per US dollar on August 17. The CBI said subsidized currency earmarked for imports of basic goods and medicine had reached \$6.151 billion over the five months to mid-August, of which \$4.85 billion had gone to imports of wheat, oil seeds and animal feed and the rest were allocated to medicine, active pharmaceutical ingredients and medical equipment.

It added that some \$14.639 billion had been supplied to importers at NIMA rate or rates close to that for imports of commercial goods and products including parts and equipment needed in manufacturing, mining, power and electronics and textile industries between March 20 and August 16.

CBI figures showed that another \$5.814 billion had been spent on imports of goods and equipment that had taken place in exchange for exports of services and goods from Iran over the same period.



# Oil Ministry nominee vows to minimize energy shortage

The proposed nominee for the Oil Ministry Mohsen Paknejad has plans to minimize energy deficit for running the ministry. According to a blueprint of his plan submitted to the Parliament, there are two short-term (one-year) and long-term (four-year) measures in order to reduce the mismatch between gas production and consumption in the country, Tasnim News Agency

reported. Gas field maintenance projects, setting up the NGL-3100 plant with the aim of collecting associated gases, constructing pressure boosting stations, completion of Phase 11 of South Pars as well as some other projects on gas extraction are among Paknejad's plans to lower gas shortfall. Paknejad will be the 14th admin-

istration's minister of oil in case of securing a vote of confidence which will be held on Wednesday.

Born in 1966 in the capital city of Tehran, Paknejad has a bachelor's degree in electrical engineering from University of Tehran and a master's degree in industrial engineering from the AmirKabir University of Technology.

He has already served in the Oil

Ministry as the deputy minister of oil for supervision over hydrocarbon resources from 2018 to 2021.

Paknejad started his career in the early 1990s in the Ministry of Energy and then moved to the Petroleum Ministry in 1997 where he has served in different managerial posts.

The Iranian Parliament's specialized committees started deliber-

ations on Pezeshkian's cabinet lineup as of August 11 afternoon in two work shifts during four days.

The proposed ministers are being discussed in the Parliament's open sessions since Saturday.

Pezeshkian was elected as the new Iranian president in a runoff election on July 5 after late president Ebrahim Raisi lost his life in a tragic helicopter crash in May.

## Iran eyes new markets for rosewater in Europe, Southeast Asia

By Sadeq Dehqan & Reza Abesh Ahmadlou  
Staff writers

Iran's rosewater has now targeted the markets of Persian Gulf countries such as Kuwait, the UAE and Saudi Arabia, Southeast Asia including China and Japan, as well as European states such as Germany and Spain, said the head of Kashan Rosewater and Herbal Distillates Guild.

Reza Navvabi told Iran Daily that the country's rosewater

industry is looking for new destinations in all parts of the world by increasing the supply of raw materials and using new technologies.

Pointing out that Kashan is the center of production of rosewater and herbal distillates in Iran, he stated, "Currently, more than 70% of the country's rosewater and herbal distillates are produced in Kashan."

"The cultivation of roses and the production of rosewater are also carried out in other

cities in Iran, but most of the roses grown in the country are brought to Kashan from all over the country to produce rosewater."

Navvabi referred to the harvesting time of roses for production of rosewater, saying, "Collecting roses in Kashan starts from late May and continues until early July, which takes about one month in each region."

The guild head put the average figure for rose production at 5 to 6 tons per hectare, adding that the figure reaches 10 tons

per hectare in some irrigated farms. One kilogram of essential oil and 15 kilograms of rosewater are obtained from every three tons of freshly harvested roses, according to Navvabi.

"In Kashan, a total of 2,400 traditional rosewater production units, 47 industrial plants as well as 138 demo plants along with two plants for extracting essential oils operate in the field of rosewater production."

Due to the favorable rains across the country in spring in

the current Iranian calendar, the rose production increased considerably compared to the previous year, he noted.

"The selling price of each kilo of roses by the farmers to the production units was announced at 77,000 tomans (\$1.3), but due to the financial hardship of the plants and the high amount of rose production, the farmers could not sell their products at more than 55,000 tomans (920 cent) per kilo which was a loss for them," Navvabi said.

## Exploring significance of Iran's transit of Russian gas



A June deal to receive 300 million cubic meters of Russian gas daily enables Iran to position itself as an energy hub and a regional leader in energy diversity.

One of the most frequent questions about gas import from Russia is why Iran, as the second-largest holder of natural gas reserves in the world, should ever import

gas. The simple answer is that the lack of sufficient investment in development of gas fields and the runaway increase in industrial and domestic consumption of gas is a drain on production, Press TV wrote.

In recent years, the consumption in the cold and very hot seasons of the year has steadily trended

upwards, forcing Iran to resort to partial cutoff of gas exports, seasonal shutdown of some energy-intensive industries, and burning of expensive diesel or low-quality furnace oil in some power plants to produce electricity.

Energy diplomacy is used in today's world to secure and promote the national and international security of nations. Iran is well suited to utilize its oil and gas resources and capacities in a manner to secure an appropriate place commensurate with its true potential in order to play a meaningful role in the international community and consolidate its national and international security.

The Ukraine war was a massive and historic energy shock which upended global energy markets. While the US and the Europeans

tried to cut Russia's revenues by imposing a price ceiling on crude oil and oil products, Moscow responded by moving its export market to China, India, Turkey, and the UAE.

Russia's attempt to do the same with its gas exports, however, hit the wall of political and technical limitations. In 2023, Gazprom increased gas supplies to China via the Power of Siberia to 22.7 billion cubic meters from 8.2 billion cubic meters in 2021. The increase in exports to the countries of the Caucasus and Central Asia also fell short of 5 billion cubic meters a year.

The overall figure was a fraction of gas which Russia exported to Europe. Russia exported 244 billion cubic meters of gas a year, which fell to 142 billion cubic meters in 2023 after the war began. More

than 55% of Russia's exports or about 140 billion cubic meters went to Europe, which tumbled to 27 billion cubic meters in 2023. Currently, there is about 95 billion cubic meters of excess export capacity in the Russian gas sector, where the strong need for new export markets combined with the war pressure on state coffers gives Iran a unique chance to establish itself as a new energy hub.

Most of Iran's neighbors suffer from insufficient gas supplies. According to statistics, there is a capacity to export 25 billion cubic meters a year to Turkey, another 25 billion cubic meters to Iraq, 10 billion cubic meters to Pakistan and 10 billion cubic meters to Oman.

The necessary infrastructure is already available across some of these countries, while others need

to develop and construct pipeline and distribution system. Hence, there is a potentially strong market on Iran's doorsteps for imports of gas produced in Russia.

Nevertheless, one should not look at regional energy cooperation purely from an economic prism since the security and political benefits of developing this cooperation and creating mutual dependence in the field of energy are a very valuable issue.

Given the significance of natural gas imports from Russia, it is safe to say that one of the most important projects in Iran's energy and foreign policy is in the offing. Its economic, foreign policy and security dividends are so vast that it should be treated as national imperative and not be allowed to wane in bureaucratic administrative twists and turns.