

Iran aims for expanded power trade with neighbors

Tavanir ready to set up wind farm near Afghan border



Economy Desk

Iran's energy officials have expressed determination to ramp up electricity swaps with neighboring countries, including Azerbaijan and Afghanistan. During a meeting with Azerbaijan's Deputy Prime Minister Shahin Mustafayev in Tehran, Iranian Energy Minister Abbas Aliabadi pointed to an "electrical connection" between the two countries that was already in place, hoping that cooperation in the power sector would pick up steam by next summer, ILNA reported on Tuesday. Aliabadi told Mustafayev that there were "many plans on the agenda" to boost power cooperation.

Iran struggled with an electricity shortage of 18,000 megawatts per day during the past scorching summer. The authorities are bracing themselves for a shortfall of up to 26,000 MW next summer.

Iranian energy officials are working to bring new thermal and renewable power plants online as well as to swap electricity with regional countries, including Russia, to narrow the deficit.

Last month, Aliabadi proposed, at a meeting of BRICS energy ministers in Moscow, that Russia's national grid be connected to those of Saudi Arabia and the United Arab Emirates via Iran. He also expressed Iran's interest in expanding electricity trade and transit with its neighbors.

The Iranian minister raised the issue again during his meeting with the Azerbaijani official, who, in turn, welcomed the idea of "synchronizing the power grids of Iran, Azerbaijan, and Russia."

According to Mustafayev, an Iranian company has been tasked with conducting a technical and economic feasibility study of the project.

Border wind farm

Meanwhile, the head of Iran's state-owned power producer and distributor, Tavanir, said Iran was ready to build a wind farm on the border with Afghanistan to promote electricity trade.

Tavanir CEO Mostafa Rajabi Mashhadi said that the unique wind patterns on the Iran-Afghanistan border had piqued the interest of both sides in building a wind park and developing transmission lines, with investment from Iranian and foreign companies.

Iran has been exporting electricity to Afghanistan since 2002. According to Rajabi Mashhadi, Afghanistan has settled all its debts for electricity purchases and has been paying its bills on time.

Recently, Iranian investors have announced their willingness to carry out Afghan power projects and relevant companies have held talks on bilateral projects.

Iran posts highest output surge in OPEC amid crude devaluation

Economy Desk

Iran took the lead among OPEC member states with the largest increase in oil production in September, posting a modest uptick of 0.6% last month, the oil cartel's monthly report showed.

The latest report by the Organization of the Petroleum Exporting Countries said Iran churned out 3.316 million barrels of oil per day (bpd) in September, which works out at 21,000 barrels more than in August.

Iran's slight rise bucked the trend of a 2.3% overall decline in OPEC's total output in September which amounted to above 27 million bpd - 604,000 less compared to August. Iran held onto its position as the third-largest

producer within the organization, coming in behind kingpin Saudi Arabia, which pumped 8.971 million bpd and Iraq that accounted for 4.112 million bpd.

Saudi Arabia and Iraq both saw drops of 23,000 bpd and 155,000 bpd in their outputs respectively.

As per the Iranian Oil Ministry, the country rolls out around 3.4mn bpd. Oil Minister Mohsen Paknejad has vowed to ramp up output by 400,000 barrels within a year.

According to international analytics companies, Iran's oil exports hover around 1.7mn bpd, with more than 90% ending up in China.

The latest data released by Iran's customs office suggest that the country

raked in around \$46.4bn from oil exports in the first half of the Persian calendar year (March 20-September 21).

Given the current export trend, it is expected that Iran's oil revenue will reach \$46.4bn by the end of the year, a 29% surge compared to last year's figure of around \$36bn.

Heavy crude plunging Meanwhile, Iran's oil prices took a nosedive for the second consecutive month in September with its heavy crude plummeting by 5.2%, shedding over \$4 to settle at \$73.6 per barrel.

It followed a sharp drop of more than 8% in August when prices tumbled from \$84.5 to \$77.6 per barrel.

On a yearly basis, the



average price of Iranian heavy crude dropped by 52 cents to \$81.85 per barrel compared to a year earlier.

The decline in Iranian oil prices comes on the heels of a slump in the value of OPEC's basket of crude. In September, the OPEC

Reference Basket (ORB) value slid by \$4.82 per barrel, or 6.1%, month on month, to an average of \$73.59 per barrel.

Renewables can help ease electricity shortfall: *Iranian MP*



By Sadeq Dehqan
Staff writer

Renewable energy sources can play a crucial role in bridging the gap in Iran's electricity supply, a senior lawmaker told Iran Daily on Tuesday. Chairman of Parliament's Energy Committee Mousa Ahmadi said the legislative chamber had a "keen eye" on green energy production. "Parliament is trying to boost the share of renewables in the country's

power mix to ease the mismatch between electricity supply and demand, which has led to power outages in recent years," Ahmadi added. According to a study by the Parliament Research Center, the gap between electricity supply and demand has surged to around 12,000 megawatts in recent years, exacerbated by growing consumption and a series of hurdles including

failure to increase power production capacity due to a lack of funds and shortages of fuel supply for thermal power plants.

Given Iran's considerable potential for clean power production, one of the ways to get the country out of the ongoing predicament is to invest in renewables.

The Energy Ministry estimates that Iran has a potential to churn out 124,000 megawatts of renewable energy per day, with 71,000 MW coming from solar energy and 49,000 MW from wind energy.

Despite the emphasis on developing renewable energy in Iranian laws,

regulations, and policies, the country currently cranks out only 1,200 MW of green electricity per day. According to international statistics, by 2050, global electricity demand is expected to soar sixfold, with renewables accounting for 43% of the total power output. "Iran has considerable potential for developing renewable energy sources and is actively pursuing the development of infrastructure for these energy sources," Ahmadi said.

The MP touched on the various types of renewable energy resources and explained that the use of renewable energy sources, including solar and wind power, was on the rise globally as the world would face huge

energy challenge in the future particularly with regard to electricity.

"The main cause of this energy shortage is linked to issues such as cryptocurrencies, artificial intelligence, and other emerging technologies which require huge amounts of electricity," he said.

"If this trend continues and no alternatives are found to replace the consumed energy, the world will face a monumental challenge," he warned. Ahmadi proposed that one possible solution for each entity, including industrial units, could become self-sufficiency in energy production. "This is what Parliament is calling for," the lawmaker pointed out. He noted that Iran had vast areas with pro-

longed periods of direct sunlight throughout the day, as well as numerous regions with substantial wind resources, all of which could be leveraged to produce electricity.

"Parliament is working to raise awareness about the need to address the country's electricity needs through renewable energy sources and is pushing executive bodies to invest in renewable energy production," Ahmadi said.

"Currently, about 37% of the country's electricity is generated from fossil fuels, while a smaller portion comes from nuclear power plants. However, the share of renewable energy in electricity production is tiny, standing at around 1.2%."

Revolutionizing Iran's trade in 'red gold'



Iran produces over 90% of the world's supply of saffron, the most expensive spice sometimes called "red gold" because of its vibrant hue and high value.

Currently, saffron is cultivated in more than 27 provinces over 123,000 hectares of land, producing 450-470 tons of the strategic commodity per year, Press TV wrote on Tuesday.

It is a medicinal and spice plant known to Iranians more than 4,000 years ago. The word saffron was originally called 'zarparan' consisting of

the two Persian words of zar meaning gold and paran meaning flower blossoms referring to purple crocuses of the plant.

Saffron is mainly used to season and color dishes. It is a strategic product in many aspects, chiefly harvested in the vast plains of Khorasan, but it is being promulgated to other provinces across Iran in recent years.

Saffron is a labor-intensive crop which needs 250,000 flimsy crimson red strands to be plucked laboriously by hand from about 75,000 crocus blooms to make a pound. The flowers must be picked early in the morning before the scent is lost to the heat of the day and then dried.

Each kilo of the Iranian saffron can retail for \$1,400-\$2,000 in global markets, showing its

comparison with gold is not without a reason. It can even cost more than the precious metal, with each gram of the premium Iranian crop able to fetch \$65.

Currently, 67 countries import saffron from Iran. In 2023, the country exported 221 tons of saffron worth \$207.7 million. Officials say Iran can conveniently raise this figure to \$1 billion if it removes certain domestic hurdles and foreign sanctions.

Saffron, apart from being valued as a culinary condiment, has long been used as a dye, perfume and as a medicinal herb. Its medicinal uses have ranged from treating eye problems to genito-urinary and many other diseases in various cultures. It has also been used as a tonic agent and antidepressant drug among many nations.

The sanctions, however, are a constant challenge to the import of technology and equipment to establish processing units.

According to one Iranian deputy agriculture minister, Iran's share of the \$11-billion saffron trade does not exceed \$400

million in the best harvest years. This is while medicinal plants are notable sources of income in many countries.

Mohammad Ali Rajabi
Cartoonist

